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**EMPLOYMENT RELATIONS IN
NON-UNION ORGANISATIONS**

**A STUDY OF THE PATTERNS OF RELATIONSHIP
MODIFICATION IN THE ABSENCE OF A TRADE UNION**

BY

TONY DUNDON

1999.

Thesis submitted for the Degree of Doctor of Philosophy
at Huddersfield University Business School

Vol. I

Employment Relations in Non-Union Organisations

Abstract

This thesis examines the internal dynamics of the employment relationship in non-union organisations and the effects of factors that influence how the relationship is made and modified. Evidence is derived from four case study organisations, drawn from different sectors, sizes and industries. For the purposes of empirical research the employment relationship is defined along five dimensions. The influences on these five relationship dimensions are assessed from a combination of internal and external factors in generating patterns of relationship modification using a social exchange theoretical perspective.

The main conclusions of the study are that the major sources of influence can be traced to different managerial styles, product market pressures and the internal social dynamics of each organisation. Attention to the social processes within each organisation shows important differences in the way employment relations are made and modified in each of the four firms. Despite the growth of the non-union firm in the 1990s, this evidence suggests that the making and modification of the employment relationship remains a source of tension. From these findings it is suggested that one neglected element in understanding patterns of employee relations is the prevailing climate in each organisation. While this was found to be influenced by managerial philosophies, it was also a powerful intervening variable between wider external factors and the employment relationship.

The results are used to trace implications for managements, trade unions and public policy. Based on this evidence it is suggested that management can and do determine whether to work with or without trade unions. As such this thesis contributes to a neglected area of non-union industrial relations, the debates about management style, the patterns of workplace compliance and recent issues associated with union revitalisation and mobilisation.

ACKNOWLEDGEMENTS

I have incurred many debts in the four and a half years it has taken to complete this study. My interest in employment relations first started as a mature student at Coleg Harlech. It is only with hindsight that one realises how true the cliché is that Coleg Harlech really does 'change lives'. It was a few years later as a student on the Keele MA course in industrial relations when my interest in workplace sociology and social-psychology was ignited again. Without this background and the subsequent financial support from Huddersfield University Business School, especially the time and patience of my supervisor Dr Derek Rollinson, this study would not have been possible. I am especially grateful to Derek for his detailed criticism, stimulation and encouragement at every stage.

A number of people helped with other aspects of the research. Huddersfield University Computing Department helped enormously with the task of data input, Dr John Cook read the manuscript during the writing-up stage and Rob Hughes provided valuable comments on early draft chapters. Most of all I owe an enormous debt to my wife, Diane, and children, Liam and Kate. When I started the research Liam and Kate had just entered this world and as the project comes to a close they are now at infant school. Throughout this time they have had to put up with all that is involved in the research and writing process and their support and love have been constant for which I will always be grateful.

The guarantee of anonymity prevents me from thanking individual companies, managers and employees for their time and co-operation in conducting this research, but without whom this project would never have been possible. They provided me with their hospitality, humour and detailed insights for which I would like to record my gratitude.

Tony Dundon

May, 1999

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CHAPTER ONE

BACKGROUND AND CONTRIBUTION OF THE STUDY

INTRODUCTION:

This opening chapter sets-out the background to the phenomenon addressed in this thesis. It starts by charting the growth and decline of trade unionism along with the rise of the non-union firm. The rationale for empirical investigation of non-union employment relations is then outlined, and in terms of advancing the research design, a number of advantages and limitations are drawn from the existing body knowledge. From this, the central aims and research questions are developed and these form the backdrop for the theoretical considerations set out in chapters two and three.

THE INCREASED PREVALENCE OF THE NON-UNION ORGANISATION

The prevalence of the non-union organisation needs to be understood in relation to the historic analysis of British trade unionism. In a highly influential text, Bain & Price make the following opening statement:

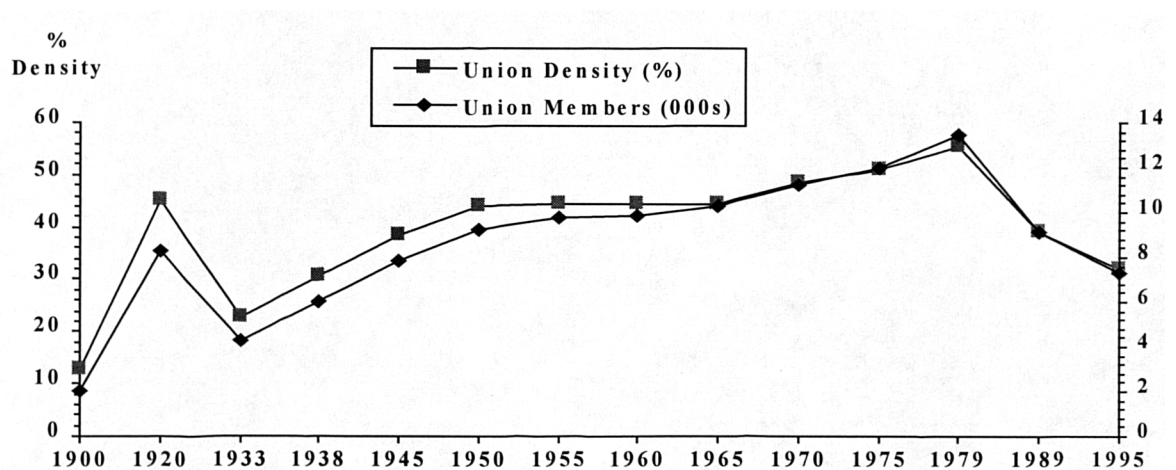
“union growth and union power are broadly related: at the very least union growth is a necessary condition, a prerequisite, for the existence of union power”.

(Bain & Price, 1983, p3)

In its most simplistic interpretation, the above statement suggests that any study of employment relationships (union or non-union) requires an appreciation of union growth and decline as a starting point, not least because of the potential influence a union presence or absence can have in explaining employment relations generally.

Figure 1.1 is a graphical representation of time series data on trade union growth and decline for selected dates in this century, from which a number of observations can be made. The first is that following a slow period of growth, union membership fell sharply in the early 1930s, recovered after the second world war and reached a plateau throughout the 1960s. The peak year for union membership was 1979, thereafter falling back to levels comparable with those in the late 1930s.

Figure 1.1: Trade Union Membership, selected years: 1900-1995



A second observation is that historical patterns of union decline are followed by periods of growth which are comparatively stronger than the previous cycle. For example, decline in the 1930s was followed by a higher level of membership and density in the mid-1940s than those that prevailed in the previous decade and a similar, although smaller trend is evident between the early 1960s and early 1970s. A third, and perhaps more significant observation, is that the decline in union membership after 1979 has not, as yet,

been characterised by a stronger cycle of recovery [1]. These trends are also shown in table 1.1.

Table 1.1: Trade Union Membership & Density, selected years: 1900-1995

<i>Year</i>	<i>Union Membership (000s)</i>	<i>Union Density (%) [2]</i>
1900	2,022	12.7
1910	2,565	14.6
1913	4,135	23.1
1920	8,348	45.2
1926	5,219	28.3
1933	4,392	22.6
1938	6,053	30.5
1945	7,875	38.6
1950	9,289	44.1
1955	9,741	44.5
1960	9,835	44.2
1965	10,325	44.2
1970	11,187	48.5
1975	12,026	51.0
1979	13,447	55.4
1980	12,947	53.6
1985 *	10,716	43.0
1989 ^	9,100	39.0
1995 +	7,300	32.0

Source: Bain & Price (1983).

* 1989 Labour Force Survey

^ Employment Gazette, August, 1990.

+ Cully & Woodland, 1996.

¹ On this time series point, Kelly's (1997, 1998) more recent analysis suggests that if Kondratieff long wave cycles, typically a period which may cover 25-30 years are used, rather than the conventional business cycle of 5 years, then an upswing for trade union growth may be anticipated sometime at the turn of this century, based on a link to price and profit data with strike frequencies. Three Kondratieff upswing periods have been noted as: 'late 1840s-early 1870s'; 'early 1890s-1st WW'; '2nd WW - early 1970s'. Downswings noted as: 'early 1870s-early 1890s'; '1st WW - 2 WW'; 'early 1970s - present'. However, the reliability of a Kondratieff cycle has been questioned when related to international data, a point Kelly (1997:10-20) recognises.

² It should be noted that the data sources used in table 1.1 calculate union density in slightly different ways. Certification Officer figures are based on returns made by trade unions themselves; LFS figures are collected from a sample of individuals, and Employment Gazette trends were compiled either by the government or independent authors writing for the Gazette. The term union density is here defined as the percentage of actual union members from the eligible workforce, excluding the armed services. Density and Actual Membership are regarded as complementary information, as it is possible for density to increase while membership is falling because they are calculated in relation to the eligible working population at any moment in time.

An important point to note is the severity of union decline. In absolute terms this is a loss of just over 6 million members (from 13.5 million in 1979 to just over 7 million by 1995). Perhaps more important is that union membership as a proportion of the working population has declined from 55% in 1979 to 32% in 1995. Two points can be noted here. One is that the level of unionism in Britain is now closer to its lowest point, which was encountered during the inter-war period. The second point is that such decline has been continual (Cully & Woodland, 1996). Moreover, in historical terms table 1.1 shows, with the exception of the period 1975-1980, union membership has traditionally covered less than half the working population. Indeed, even at its peak, union density covered just over half the labour force, yet non-union relations were rarely, if ever, examined.

In addition to membership decline is the related issue of collective bargaining coverage. Indeed, the outcome of collectively negotiated agreements can have a knock-on effect for those employees whose terms and conditions are unilaterally determined by management (Blyton & Turnbull, 1994; McIlroy, 1995). Since 1984 the scope of collective bargaining has fell from 70% of all employees to 41% by 1998 (Millward et al, 1999 :242). This is a significant point because it is now a *minority* of workers who are covered by collective bargaining and union membership.

A well cited explanation for these trends are falls in employment and economic recession since the 1980s (Kessler & Bayliss, 1992; Scott, 1994; Beaumont, 1995). However, a decline in the employment share of those industries described as the heartland of unionisation (coal and shipbuilding for example) is not the complete picture when describing the prevalence of the non-union organisation in contemporary employment relations.

Data from the workplace industrial relations surveys show that establishments which had union members fell much more sharply after 1984. For instance, between 1980-84 the number of establishments with no union members reported in WIRS remained comparable at 27% (Daniel & Millward, 1984; Millward & Stevens, 1986), suggesting that there were some gains to offset the decline in the traditional unionised sectors. However by the third WIRS survey, the proportion of establishments with no union members had increased to 36%, with a greater number of non-manual establishments reporting no union members. Significantly, while there were no union members in 36% of all establishments in 1990, by 1998 this had declined further to 47% (Cully et al, 1998). As a number of authors note, the net result is that losses during the mid-1980s have effectively 'wiped-out' the membership gains of the 1970s (Kessler & Bayliss, 1992; Waddington, 1992; Bird, 1993).

In addition to the periods of union decline, there are two added dimensions to the prevalence of non-union relations. One is the growing, albeit marginal, rise in union de-recognition as evidence of a more hostile and antagonistic approach among management (Millward *et al*, 1992; Gall & McKay, 1994; Claydon, 1996). The second is a shift in bargaining arrangements where union recognition has held up comparatively well. Several studies report a move from centralised to de-centralised and single-employer bargaining, which suggests a link to collective marginalisation because of increased managerial freedom in decision-making processes (Marginson *et al*, 1988; Kessler & Bayliss, 1992; Millward, 1994; McLoughlin & Gourlay, 1994). Indeed, Kochan *et al* (1986) suggest that centralised bargaining structures have been identified as a constraint on 'deunionisation' in the US, although there is some debate as to the exact impact in Britain, with some employers apparently moving in the opposite direction (Beaumont, 1990; McLoughlin & Gourlay, 1994).

Above all, with the loss in union membership and structural shifts in industrial relations, it would appear that an examination of non-union employment relationships is long overdue. Although union decline would appear to be a significant reason for the prevalence of the non-union firm, the evidence above shows that employees have been subject to non-union relationships for some time, despite the lack of in-depth analysis. This suggests that while unionisation has ameliorated working conditions in unionised organisations, little is known about such relations in non-union firms, despite their widespread existence.

RATIONALE FOR EMPIRICAL RESEARCH INTO NON-UNION RELATIONS

The overriding rationale for conducting research into non-union organisations is that given the rise of the non-union firm over the past two decades, there is a need to understand and explain the nature of contemporary employment relations beyond a unionised paradigm. There are four prominent issues that inform this rationale. The first is the range and extent of non-union penetration in Britain, and the second is the concomitant decline in collective industrial relations. The third issue is concerned with the marginalisation of trade unions in those organisations where unions still retain bargaining rights. Finally, there are a number of wider contemporary industrial relations debates which could have a bearing on non-union relations. These four issues will be briefly explored in turn.

RANGE OF NON-UNIONISM

Non-unionism appears to be more apparent in certain parts of Britain. The south-east and north-west seem to have proportionately larger shares of non-union firms, while sector variation is similarly noticeable. For instance, hotels, catering, retailing, hi-technology and professional service organisations

appear less unionised than other sectors of the economy. Younger establishments are also less likely to have a union presence than older firms (Beaumont & Cairns, 1987; Beaumont & Harris, 1988; McLoughlin & Gourlay, 1994).

However, the blanket term non-union disguises a wide degree of diversity between organisations. Generally, non-union relations are often related to an 'either/or' scenario. The first is exemplified by companies such as IBM or Marks & Spencer (M&S), who tend to adopt a sophisticated human relations approach, and at the other extreme are sweatshop, exploitative small firms with few, if any employee relations policies. A further limitation is that the non-union distinction is often considered against unionised settings rather than the organisational-specific context of non-unionism. One corrective to the latter is provided by Guest & Hoque (1994), who suggest 'good, bad, ugly and lucky' forms of non-union organisations.

The 'good' non-union employer is derived from images of IBM and M&S, with sophisticated human resource management (HRM) practices, devolved managerial systems, above average remuneration, training, development and recruitment strategies. The 'bad' and 'ugly' non-union firms are often dependent upon larger organisations for their work within a highly competitive market (Blyton & Turnbull, 1994). What can distinguish the 'bad' from the 'ugly', is that in the latter management seek to exploit workers, whereas in the 'bad' management offer poor wages and conditions without intended malice. In the 'lucky' non-union firm remuneration is below average coupled with few employee benefits, yet the union issue has probably never emerged with any significance. Approaches to the relationship are often determined by minimalist opportunism, with few policies or strategic considerations to employment practices.

However, while these different types of non-union firm are highly relevant, some of the more salient explanations for the emergence of non-union relations can be traced to the decline and marginalisation of collective employment relations.

DECLINE IN COLLECTIVE RELATIONS

The phenomenon of non-unionism is synonymous with the decline of trade unionism and collective bargaining since 1979, although there are additional qualitative interpretations for this decline. Briefly, the Donovan (1968) assessment of industrial relations recommended greater formality between unions and employers. The idea being that formality would act as a ‘lubricant rather than an irritant’ to the system of industrial relations. Since 1979, the ideology and the institutions that have informed policy on this matter have witnessed a dramatic shift. There appeared to be a well-grounded ‘expectation’ that the institutions and processes of industrial relations would survive the incoming Thatcher government of 1979, which embarked upon a monetarist approach to the economy influenced by the doctrines of Hayek economic management (Keegan, 1984; Wedderburn, 1986).

In practitioner terms, the managerial view of the day was expressed by Newman (1980), who noted that non-union firms are a “vanishing species - a relic”. On the trade union side, Monks (1992) explained contemporary thinking along similar lines. That is, trade unionists ‘assumed’ collective industrial relations would prevail and despite the antipathy toward unions, “at some point the government would come to its senses and have to ask the TUC to discuss policy” (Beardwell, 1992).

However, with the continued rise in non-unionism the government ceased to discuss policy with the trade union movement, and non-union organisations continued to emerge with little scrutiny on the part of the academic community. In Britain there were clear signals about the extent of non-unionism even at the peak of unionisation, yet research tended to examine the propensity for non-union employees to unionise, rather than the actual processes and dynamic issues of non-unionism itself. The predominant approach was not so much *why* or *how* employees were managed in non-union settings, but rather *when* non-union workers would become union members. Bain & Price (1983) comment:

“The largest untapped potential for union growth in Britain is among the more than six million workers in private services”

(Bain & Price, 1983, p 32)

Although signals about the extent and range of non-unionism were evident in Bain & Price’s growth model, additional evidence emerged from the US. Foulkes (1980) provides a detailed study of the decline in unionisation across the Atlantic and traces events back to the 1950s, which subsequently offers valuable insights into the development of non-union personnel policies. By 1986, Kochan *et al* offered a systematic "two models" analysis of American industrial relations: the unionised and non-unionised. In Britain, however, more than a decade elapsed between the decline in collective industrial relations and comparable non-union research by McLoughlin & Gourlay (1992; 1994). Beardwell (1994) suggests that this is due to an entirely different set of political and economic assumptions that have informed industrial relations for most of this century. To quote:

“non-unionism came late to the party and did not even have the fancy dress of capital letters to ease its entrance. Instead of gatecrashing in a blatant manner, it could be observed as one of the guests quietly holding a drink while HRM and NEW IR partied noisily in the middle of the throng. So quiet was the entrance of this new neighbour that many only noticed when it was clear that this guest was quite persistent and would be difficult to dislodge”

(Beardwell, 1994, p2)

However, one understanding of *why* non-union relations has persisted without the notice of the academic community does not correct the imbalance. Arguably, with the decline in collective employment relations and the prevalence of non-union organisations, the need for further investigation is strengthened, as McLoughlin & Gourlay suggest:

“How employees are managed without unions and the nature of relations with employees where unions are absent is an area ripe for further study”

(McLoughlin & Gourlay, 1994, p163).

UNION MARGINALISATION

While much of the decline in unionisation is attributable to a number of structural, economic and political factors, in some organisations unions have been consciously excluded and this has taken various forms. At one extreme is complete union de-recognition, with attention focused on well-known cases such as those in the newspaper industry, Esso, BP, Tioxide and union-busting in the public sector (Claydon, 1989, 1996; Gall & McKay, 1994). In the main, however, complete de-recognition has been minimal.

The other scenario is slightly more complex, and involves the marginalisation of trade unions. This can vary between complete union de-recognition with the withdrawal of all negotiating and representational rights - such as the Thatcher

government setting examples for employers considering union de-recognition with the GCHQ case; partial de-recognition of certain sections of the workforce; or union exclusion from particular aspects of employment regulation. One example of the latter is in the water utilities following privatization (IRS, 1992). The implications are related to possible differences in managerial styles and approaches, summed up by Marchington & Parker (1990:144) as “pushing negotiation down to consultation, and consultation down to communication”. Similarly, the importance of non-unionism is evident in the revisited Fawley case presented by Ahlstrand (1990). For example, management consciously sought to harmonise terms and conditions as a prelude to non-unionism as early as 1970, despite the acceptance of Fawley’s productivity agreements as a model for pluralist industrial relations less than a decade earlier (Flanders, 1964, cited in Claydon, 1996).

Thus de-recognition and marginalisation constitute variations of non-unionism. The employing organisation may not be union-free, yet the approach is to significantly marginalise the influence of trade unions as social partners in the regulation of employment (Heery, 1997a, b). These trends raise a number of related contemporary themes. For some commentators the decline in union influence will act as a trigger to flexible managerial decision-making (Hanson, 1991). In contrast, other commentators suggest the effect will mean less employee commitment and fewer voice opportunities (Millward, 1994), with implications raised about the future direction of trade unionism (Bassett & Cave, 1993; Heery & Kelly, 1994; Darlington, 1994, 1996; Bacon & Storey, 1996; Heery, 1996; Kelly, 1996; TUC, 1997). These issues can be summarised under the heading of contemporary debates, discussed below.

CONTEMPORARY INDUSTRIAL RELATIONS DEBATES

In outline, contemporary approaches to employment relations and the relevance of non-unionism reflect several distinct schools of thought. Early analysis, concerned with the so-called Thatcher 'economic miracle' (for instance, Nolan, 1989; Metcalf, 1989) has given way to suggestions of a 'new industrial relations' (Beardwell, 1992, 1996); the replacement of collectivism with individualism (Bassett & Cave, 1993; Bacon & Storey, 1996); union de-recognition (Gall & McKay, 1994; Claydon, 1989, 1996); and HRM, as a series of 'maps and metaphors' that represent a new and alternative approach to employment relations (Guest, 1987; Storey, 1992, 1995; Keenoy, 1991; Keenoy & Anthony, 1992; Noon, 1992; Legge, 1995).

Allied to this 'new thinking' has been the consideration of various trade union responses to the threat of non-unionism. At one extreme is the idea that a relatively weak union movement has been forced into a form of 'pragmatic accommodation' with employers in order to maintain some degree of recognition (GMB/UCW, 1991; Ackers & Black, 1992; Taylor, 1994; Heery, 1998), while others suggest that responses are more complex (Martinez Lucio & Weston, 1992). However, what evidence there is depicts a combination of 'adversarial resilience' mixed with 'combative' relations (Heaton & Linn, 1989; Heery & Kelly, 1994; Darlington, 1994, 1996).

More recently, analysis has been concerned with the forms of 'new unionism' and 'social partnership' (Heery, 1996; 1998; Kelly, 1996; TUC, 1997; Claydon, 1998) against a backdrop of a new Labour Government that may ensure legal rights for union recognition and a national minimum wage. Allied to these debates is the role of small firms in employment relations (Rainnie, 1985, 1989; Scott et al, 1989; Ram, 1991; Scase, 1995; Cully et al, 1998). As Philpott (1996) comments, many of those employees earning less than £3.50

per hour can be found within the small business sector and in firms that are less likely to be unionised. Evidence shows that in firms employing less than 25 workers there are few union members (Millward *et al*, 1992; Cully *et al*, 1998), with 'less than 1% of those employed in small private sector establishments members of trade unions (IRS, 1998). Yet few would dispute the numerical importance of SMEs. In Britain, establishments with fewer than 50 employees account for 98% of all companies; and organisations employing fewer than 500 workers provide 67% of total employment (Storey, D. 1994; DTI, 1998).

Notwithstanding these interesting (and at times controversial) debates about the prognosis for industrial relations in general and for trade unions in particular, there are a number of important gaps in the body of knowledge about non-union relations which can only be filled by empirical research. Moreover, in contrast to the volumes of empirical and theoretical work concerned with a more traditional, unionised relationship, there is a significant gap when it comes to analysing the non-union situation, and a number of factors warrant empirical investigation.

EXISTING APPROACHES TO NON-UNIONISM

At the risk of oversimplification, the literature that exists on the non-union phenomenon can be categorised under two sub-headings. In what follows, these are briefly summarised and while it can be noted that each has a number of advantages, there are also limitations that underpin the need for further empirical enquiry.

NON-UNION MODELS & SURVEY EVIDENCE

A number of studies have examined that, in the main, non-unionism is linked to a distinctive managerial system, such as HRM (Beaumont, 1995; Guest & Hoque, 1993; McLoughlin & Gourlay, 1994). In some respects this is understandable because, when set against the volumes of evidence on traditional industrial relations, little is known about non-unionism. Here, the evidence is derived from a small number of very large firms who are often household names, for example IBM, Hewlett Packard and M&S. Commentators here point to the idea that HRM policies in these firms limit the demand for a union role by fostering an individual attachment to the organisation.

However, while these ideas have a surface plausibility, there are three main problems with the conclusions they draw.

First, in terms of non-unionism, these companies are the exception rather than the rule. As already indicated, evidence suggests that the bulk of non-union companies are small to medium sized enterprises (SMEs) rather than large scale multinational organisations (Beaumont & Harris, 1989). In addition, evidence indicates that a desire by management to remain non-union is associated with competitive market conditions rather than any clear HRM-type model (Rubery, 1987; Kochan *et al*, 1986; Beaumont & Rennie, 1986). Another plausible suggestion is that the attitudinal perceptions of management are linked to a belief in non-unionism. That is, where former management experiences are grounded within a non-union environment there is a greater willingness to maintain a non-union relationship (Cooke, 1990).

Second, while HRM techniques imply a more individualistic relationship in which trade unions are unwelcome adversaries, evidence confirms that a drive

for individualism is as common in unionised firms as in non-union establishments (Ferne, Metcalf & Woodland, 1994).

Thirdly, a superficial weight is often given to HRM techniques. The existence of certain policies does not mean they are well-established within either union or non-union organisations. Indeed, both Guest (1987,1989) and Sisson (1993) have found little evidence of an integrated HRM approach, and Legge (1988, 1995) draws out the similarities rather differences between normative (or 'soft') HRM concepts and the practice of personnel management. More quantitative evidence is revealed in WIRS3, which shows that non-union organisations do not adopt HRM practices, writ large. For instance, both labour turnover and dismissals are higher; employee consultation, discipline and staff grievances more common; and health & safety problems are more likely in non-union rather than unionised establishments (Millward *et al*, 1992:360-64). Furthermore, evidence shows that High Commitment Management (HCM) practices and its links with sustained organisational performance, are as relevant in union as much as in non-union establishments (Huselid, 1995; Wood & de Menezes, 1998).

In short, the literature which depicts the non-union organisation as a model of HRM, which is something distinct from either traditional industrial relations or personnel management, could be both conceptually and empirically flawed. Moreover, such analysis is often far removed from the micro-orientated factors which can shape and influence the relationship itself.

Perhaps of more interest is the survey work that has tapped the attitudes and perceptions of employees, but without the precise objective of assessing a model of HRM. This is arguably a more fruitful way of gaining insights into non-union relations (Hartley, 1992; McLoughlin & Gourlay, 1992; Flood *et al*,

1994; ISR, 1995; Jowell *et al*, 1996). On the one hand these results offer a mass of data concerned with union joining factors, not too dissimilar from earlier considerations of the 'propensity to unionise'. On the other hand, there is a much stronger link to the social psychological motives which help shape and inform the perspectives of actors involved. For instance, both McLoughlin & Gourlay (1992) and Hartley (1992) suggest that factors of age, gender and skill have little influence on union joining, and that attitudes toward work itself, management and wider social values are far more significant.

These suggest a link with the concept of the 'psychological contract', defined as a set of 'reciprocal and promissory expectations between an employee and the organisation' (Rousseau, 1990). In other words, in return for a certain pattern of action by the organisation (usually the payment of wages, provision of conditions and treatment), employees deliver the pattern of action desired by the organisation and/or its managers. Thus notions of justice, grievance and trust as much as extrinsic rewards are part of the relationship, and there is evidence that suggests a decline in some of these psychological characteristics among employees. According to British Social Attitude Surveys (Jowell *et al*, 1996; Kelly, 1997, 1998), the perceptions held by employees of whether 'management is getting the better of workers', low and high pay differentials, and 'relations between employees and management' all show a negative response. Further, respondents who were asked whether trade unions have *too little* power reported a marked increase, from 5% in 1983 to 28% in 1994. These offer valuable clues to the way the relationship is examined in subsequent chapters.

NON-UNION CASE STUDIES

The use of industrial relations case study analysis has waned in recent years, despite the view that such an approach reveals in-depth, rich data concerned

with the dynamics and social processes at workplace level (Brown & Wright, 1994). More importantly for the non-union sector, detailed case study evidence is extremely rare. Part of the explanation for this rarity is reinforced by the author's experience during this investigation. At a general level there is the well cited problem of gaining access for empirical study (Bell, 1992; Hakim, 1994). Indeed, obtaining suitable and willing participants is a problem for any investigation. However, if the criteria for study includes the factor of a union absence, at best management can be extremely suspicious and at worst uncooperative. Having said this, problems of access are not insurmountable and the few case studies that are available can be grouped under three broad areas.

The first consists of accounts by managers themselves (Peach, 1983; Tse, 1985; Sieff, 1990; Billot, 1996). Given the potential bias in these studies, they must clearly be interpreted with some caution. Nonetheless, there are interesting and clear messages which need to be recognised, if not taken as empirically grounded. For instance at IBM (Peach, 1983), a number of variables are suggested which prompt an endorsement of the "company's approach" and these led ACAS "not to recommend union recognition". These include an obligation to offer 'secure employment' (defined as full employment notwithstanding economic recession), and a policy of 'single status' with regard to terms and conditions. Peach (1983) suggests these are influential factors which demonstrate an attitudinal mind-set among employees which is supportive of a "climate" more receptive to non-unionism. Both secure employment and single status are regarded as core elements backed up by training, counseling and upward communications.

This is the unitary perspective on employment relations, often typified as the "Marks & Spencer's way" (Tse, 1985; Sieff, 1990). The unitary ideal suggests

that members of the enterprise all share common objectives, and unionisation is an illegitimate challenge to managerial authority (Fox, 1974; Molander & Winterton, 1994). Interestingly, this type of non-union approach was submitted as evidence to the Donovan Commission (1968), by the (then) Managing Director of the Rugby Portland Cement Company. For example:

“we deplore the terms ‘industrial and labour relations’. We prefer ‘human relations’, and these relations depend on the tone of one man, the executive; his philosophies, his outlook, his leadership”

(Reddish, in Barrett et al, 1975:296-98)

In contrast, a much harder, business measurement perspective is provided by one managerial practitioner offering advice to other employers seeking union avoidance (Billot, 1996). Here, *compliance* rather than *commitment* is coerced through decisions made by management, which are claimed as being in the best interests of the company, and therefore consequently the best for employees (Billot, 1993).

One of the problems with these accounts is that they are usually uncritical and lack any analysis of potential conflict where unions are absent. Thus while they offer ‘clues’ about non-union policies and managerial ‘*intent*’, they provide little detailed assessment of the whole employment relationship or processes to explain the styles of management (Purcell & Ahlstrand, 1994). Indeed, IBM has since made redundancies because of market pressures and no longer espouse the full employment obligation, while the M&S model has been criticised as ‘ruthless and too demanding’ on employees (Turnbull & Wass, 1998). In addition, as noted earlier, these organisations are largely atypical, and so it is difficult to produce generalisations about what the significant influences on the non-union relationship are in a wider context.

The second group of case studies into non-union companies is based on empirical and academic analysis. These include Foulkes (1980), Cressey (1986), Dickson *et al* (1988), Bassett (1988), Findlay, (1993), Guest & Hoque (1993), McLoughlin & Gourlay (1992, 1994), Blyton & Turnbull (1994), Beaumont (1995), Bacon (1997), Turnbull & Wass (1996) and McLoughlin (1996). One common feature which links these is that their prime *raison d'être* for research is the phenomenon of non-unionism.

This work tends to be far richer in content than purely managerialist accounts. For example, Foulkes provides a detailed assessment of particular personnel policies in large (US) companies, which are viewed in strategic terms. At one extreme is a soft strategy of union avoidance (i.e. 'substitution'), in which management seek to by-pass the demands for unionisation by offering sophisticated non-union voice channels and above average remuneration. At the other extreme is a much harder version, (i.e. 'union suppression'), in which management are extremely hostile to forms of collective regulation. For the latter, a similar theme is evident in Bacon's (1997) Sheerness Steel study, suggesting that despite superficial signs of a sophisticated HRM approach, the reality is quite different. That is, management are extremely anti-union, use coercive tactics and abuse the notions of authority and power to secure a 'preferred way' of managing. Interestingly, one of the most highly critical and damning accounts of managerial practices in Britain was made against this company and upheld by the ILO (1996).

Cressey (1986), Blyton & Turnbull (1994) and Turnbull & Wass (1998) also show how the rhetoric of employers, such as M&S, invites a high 'dependency on' rather than a high 'commitment to' the organisation. Such themes and issues are further reinforced by the existence rather than elimination of 'them and us' attitudes (Kelly & Kelly, 1991).

The third group of case studies also focus on non-union companies. However, while these are classified as a separate group for the purpose of sampling, the main reason for their empirical enquiry is not non-unionism *per se* but some other aspect of the employment relationship. These include studies by Bolton (1971), Roy (1980), White & Trevor (1983), Trevor (1988), Rainnie (1985, 1989), Scase & Goffee (1987), Ram (1991, 1994), Goss (1988), Scott *et al* (1989), Cressey (1985), Claydon (1989, 1996), Roberts *et al* (1992), Edwards & Whitston (1993), Broad (1994), Scott (1994), McKinlay & Taylor (1996) and Bacon *et al* (1996).

The information that can be derived from this work is highly relevant. While these studies all differ in their aims and perspectives, they offer valuable insights into non-union practices. For example, some of the earlier work by Bolton (1971), a government commission that examined employment in small companies has been highly criticised for its simplistic view, and Rainnie (1985, 1989), Goss (1988) and Scase & Goffee (1987) all found that the ‘small is beautiful’ notion is misleading. Conflict can be expressed through absenteeism, labour turnover and a greater propensity for employees to exit the relationship than through forms of industrial action. While Storey (D. 1994) suggests there is a need for caution as figures about SMEs represent statisticians’ “best available judgement”, this small business sector is of clear, numerical importance for non-union relations.

In the US, Roy (1980), adopting a distinctive labour process perspective, describes how various employers either offer ‘sweeteners’ to avoid unionisation, or combine ‘fear and evil’ tactics in their “detestation of what unions are by nature” (p409). These are highly reminiscent to the ‘bleak house’ scenario (Sisson, 1993; Guest & Conway, 1997). However, ‘peering

into the black hole' is likely to be too simplistic, as is the 'conflict-cooperation' notion of small companies. Bacon *et al* (1996) suggest that a variety of quality management initiatives are in fact common among smaller firms, which points to intrinsic aspects of the employment relationship. Furthermore, as Edwards (1995) argues, the absence of strikes does not indicate an absence of conflict. While a low strike incidence may demonstrate high or increasing levels of trust or commitment between the parties, it may also demonstrate a fear of management and an abuse of the managerial prerogative.

Cressey (1985) and Scott (1994) capture elements of such diversity at workplace level. In these studies the idea of a 'social contract' among informal work groups was used to explain mutual commitment to organisational goals, but this did not remove the tensions associated with subordination and deference. Similarly, McKinlay & Taylor (1996), using Foucault's concepts of power-knowledge within a non-union environment, explain that the informality of work processes can establish a distinctive collectivity, which strengthens the workers' ability to protect group norms from managerial interference. These raise some important theoretical considerations upon which to build this research, which are explained later, and involves the combined use of social-psychology and labour process studies.

In summary, this brief review of existing literature has raised a number of difficulties and limitations in researching non-union relations. Above all, there appears a significant gap in the body of knowledge about how the relationship between an organisation and its employees is made and modified in the non-union firm, and this is the main consideration which informs the aims of this investigation.

RESEARCH QUESTIONS

From the above, the general questions that this investigation seeks to address are threefold:

1. In the absence of a trade union, what *is* the relationship between an organisation and its employees, how is this relationship made, and how is it modified?
2. What differences exist between different types of non-union organisations in terms of their relationships, and are there concomitant differences in the way these relationships are made and modified?
3. What factors account for any differences within and between these non-union firms?

To address these general questions, a number of subsidiary questions can be raised, and these are addressed in this thesis. These include:

- i. What key features define and explain the employment relationship in non-union settings?
- ii. What influences (internal and external) shape the relationship where there is an absence of collective representation?
- iii. How do the parties communicate their feelings about rights, obligations and desires for change given the absence of an intermediary voice?
- iv. Do non-union firms have a coherent set of employment policies, practices and styles of management?

- v. In firms that do not recognise trade unions for collective bargaining purposes, what is the extent of employee union membership?

- vi. What influence does union membership within a non-union firm have on approaches to making and modifying the relationship?

CONCLUSION

This chapter started by explaining the prevalence of the non-union organisation in both an historical and a contemporary context, which was followed by an explanation of the rationale for empirical investigation. As part of this explanation a range of non-union relations were considered together with the decline in collective industrial relations, and attention was drawn to a number of wider industrial relations debates.

From a brief review of existing literature, a number of advantages and limitations were discussed and these provide the basis for considering the research design given in a later chapter. The central research questions were then outlined, together with a number of subsidiary questions for this investigation. The next chapter outlines the theoretical framework, by describing the dimensions used to define and categorise the nature of relationships that could exist in the absence of a trade union.

CHAPTER TWO

THEORETICAL FRAMEWORK AND DIMENSIONS OF THE EMPLOYMENT RELATIONSHIP

INTRODUCTION

This chapter examines a number of possible approaches to make and modify the employment relationship. It starts with an examination of the legal view of the employment relationship, and then considers traditional industrial relations (IR) perspectives on how the relationship is made and modified. Since a number of limitations to the legal and traditional IR viewpoints are identified, an alternative perspective is outlined, that of social exchange theory. This, along with a discussion of role theory, is considered as a way of capturing actor perceptions and behaviour in the absence of a collective intermediary. A conceptual definition of the relationship is then considered. This is followed by discussing five important dimensions along which the relationship in non-union organisations can be examined empirically. Although these are discussed as separate dimensions, a note of caution is mentioned about the likely interrelationship between them. The chapter concludes by building the dimensions together in an outline continuum of possible non-union relationship types.

CONCEPTUALISING THE EMPLOYMENT RELATIONSHIP

Most studies concerned with the nature of work recognise that the employment relationship is characterised by the coexistence of '*conflict and co-operation*', of '*antagonism*' among workers and managers, that there is an '*indeterminacy*' to the exchange relationship allied to an '*imbalance of power*' (Braverman, 1974; Edwards, R., 1979; Blyton & Turnbull, 1994; Edwards, P., 1995). In this section, different theoretical ways of viewing these complex issues are presented. The legal interpretation of the employment relationship is explained and this is followed by the 'traditional IR view', which is then contrasted with an 'alternative perspective'. This is social exchange theory, which is arguably a more useful theoretical paradigm to capture what are essentially contradictory and dynamic features of employment relations.

LEGAL INTERPRETATION OF THE EMPLOYMENT RELATIONSHIP

The most explicit view of what constitutes an employment relationship is expressed by the concept of the contract of employment. In simple terms this is both an economic and a legal construct (Davies & Freedland, 1983; Whincup, 1991). Economically, the contract forms the basis of wages, holidays and other fringe benefits not explicitly delineated by law, and also influences other economic factors: how employees are managed in order to meet market demands and performance of the firm (Clark, 1994).

Although it can be argued that the contract of employment is conceptually flawed, it remains an important focus for British employment relations. One common definition states that it is a “contract of service or of apprenticeship between and employer and individual employee” (Employment Protection Consolidation Act, 1978: c44). As with other contractual obligations, for instance the purchase of goods, the contract of employment contains both ‘expressed’ and ‘implied’ obligations (Whincup, 1991; Rollinson, 1993). That is to say certain matters are implied even if not expressly stated, for example that both parties should act legally and honestly in their dealings. In addition, terms agreed collectively with trade unions are incorporated in the contract, for example wages or working hours.

Statutory legislation passed by parliament has evolved in British employment relations to incorporate and clarify a number of contractual matters; for example health and safety, union membership or equal opportunities. Indeed, it is arguable that common and contractual law is incapable of evolving rules which would prevent race or sex discrimination. Prior to such statutory provisions, for example, one legal judgement commented that:

“An employer may refuse to employ a workman from the most mistaken, capricious, malicious or morally reprehensible motives that can be conceived, but the workman has no right of action against him”

(Lord Davey, in *Allen v Flood*, 1898, AC 1, 172).

At a deeper level are the philosophical and ethical antecedents of the contract of employment. This line of enquiry suggests that the contract, and therefore the employment relationship, is derived from notions about market individualism, freedom and master-servant relations stretching back to the 19th Century, as the above quote illustrates. The contract ‘assumes’ that the parties enter the exchange freely and equally (Rollinson, 1993; Clark, 1994). In reality, however, the employee becomes a subordinate to the employer’s power, authority and status within the relationship, which is a far cry from the notion of equal bargaining power (Hyman, 1975; Fox, 1985).

Cohen (1988) discusses the dilemma between ‘free’ in theory and ‘forced’ in practice which demonstrates a misconception about the freedom of bargaining equality in the contract of employment. An example of an unemployed, unskilled worker is used to explain the dilemma between taking a hazardous job or no job at all. Thus the choices between health and unemployment, or employment and possible ill-health, are much more complicated.

“to infer from the fact that John was free to do other things that he was therefore not forced to take a hazardous job is to employ a fake account of what it is to be forced to do something. When a person is forced to do something he has no reasonable or acceptable alternative course. He need not have no alternative at all”

(Cohen, 1988: 245).

Kahn-Freund (1984) similarly argues that the freedom of the employment contract is little more than an act of submission for the employee:

“In its operation it is a condition of subordination, however much the submission and the subordination may be concealed by that indispensable figment of the legal mind known as the contract of employment”

(Kahn-Freund, in Davies & Freedland, 1983).

For example, should one party agree to an onerous term in the contract, the law would suggest this is evidence that he or she is less capable of bargaining than the other party. However, the law does not consider the resources available to employers in relation to an individual employee. The legal term *caveat emptor* (let the buyer beware) means that the law will not intervene to protect the maker of a bad agreement, and the ‘doctrine of contract’ is based on little more than a vague ‘assumption’ of equality of bargaining strength (Whincup, 1991), which bears little relevance to the reality of the employment relationship (Hyman, 1975).

Thus while the contract of employment is an important issue when examining the employment relationship, it is equally important to note its weakness when viewing the relationship in these legal terms. On this point Kahn-Freund (1977) suggests that “trade unions are a more effective force in redressing the imbalance of power inherent in the contract than the law is, or ever could be”. An equally striking indictment of this legal perspective is noted by Honyball (1989), that the ‘contract is not even an agreement about terms and conditions, but simply an agreement to enter into a relationship, the terms and conditions of which have yet to emerge’ (cited in Rollinson, 1993:35).

It may be suggested that given their role in administering and formulating rules and agreements, trade unions offer some checks and balances to this inequality in the labour market. However this would not explain matters in a non-union relationship. One approach, which is derived from several distinct schools of thought that do go beyond a narrow legal interpretation, is discussed next.

THE TRADITIONAL VIEW OF THE EMPLOYMENT RELATIONSHIP

As a subject of study, industrial relations is generally associated with the work of the Webbs (1897), Dunlop (1958) and the 'Oxford School' of thought emanating from Flanders, Clegg, McCarthy and Fox. Some thirty years after its report, the Donovan Commission (1968) remains a powerful influence on the views of industrial relations. This early literature contains a number of definitions (Goldthorpe *et al*, 1968; Bain & Clegg, 1974; Hyman, 1975; Clegg, 1979; Edwards, 1995), from which one mainstream view states that industrial relations is concerned with:

“the making and administering of rules which regulate employment relationships; regardless of whether these are seen as formal or informal, structured or unstructured”

(Bain & Clegg, 1974:95) .

One problem with the above approach is its emphasis on 'regulation'. As such, subsequent analysis has often taken as its starting point the need to focus on the systems of industrial relations with an almost exclusive study of collective bargaining, a process described by Beatrice Webb (1897:173) to control and institutionalise conflict (Flanders, 1965; Fox, 1966; Donovan, 1968). Dunlop (1958) viewed industrial relations as a sub-system which mirrors conditions in wider society, in which a set of rules based on societal norms and political and legal structures govern the behaviour of the actors involved in the relationship.

A variant on this is offered in the earlier work of Hyman (1975), suggesting that industrial relations is a system of 'contradictory processes'. Hyman gives a powerful argument for viewing industrial relations not as a static system of consequences and actions, but rather as a set of contradictory processes which help understand the causes of conflict. To this end notions of 'freedom, conflict

and managerial authority' represent dynamic 'frontiers of control' (Goodrich, 1975) between the parties to the employment relationship.

In addition, Edwards (1995) comments that it is only recently that industrial relations texts have acknowledged there is considerably more to employment relations than analysis has hitherto revealed, and stresses that the subject goes well beyond the parameters of a systems approach:

“Industrial relations studies the relationship between employer and employee in paid employment: the ways in which employees are rewarded, motivated, trained and disciplined, together with the influence on these processes of the major institutions involved, namely, managements, trade unions and the state”

(Edwards, 1995:3).

In order to capture some of this complexity to the employment relationship, as a dynamic set of processes, an alternative approach is used to build on this traditional perspective; that of social exchange theory.

AN ALTERNATIVE VIEW OF THE EMPLOYMENT RELATIONSHIP: SOCIAL EXCHANGE THEORY

Social exchange theory adds to the notion of economic exchange, and represents a more eclectic view of the employment relationship (Homans, 1961; Blau, 1964; Roloff, 1981). Moreover, it allows room to combine the theoretical paradigms of social-psychology and sociological labour process perspectives in seeking an explanation of non-union employment relations.

Although the origins of social exchange theory are more directly concerned with individual behaviours to, and expectations arising from relationship interactions, its uses are not new to the study of employment relations (Walton & McKersie, 1965; Fox, 1974, 1985; Silverman, 1970; Berger & Luckmann, 1971; Rollinson, 1993; Clark, 1994).

The use of social exchange theory, as a framework for this thesis, is derived from developments to both Homans 'operant social psychological approach' and Blau's 'economic perspective'. Homans operant approach, which is stated here merely for completeness, suggests that in a relationship people repeat behaviours that are rewarded, and avoid behaviours that lead to either dissatisfaction or punitive actions. While Homans is a sociologist, he uses social psychology to build five propositions, all of which focus on the subjective interpretations of actors to their social setting:

1. The Success Proposition: That behaviour and actions within the relationship tend to be repeated when reward is conferred. Perceptions of reward can be intrinsic as well as extrinsic; for example, recognition from management for work conducted, feelings of value to the organisation, or a sense of attachment to the job itself.
2. Stimulus Proposition: Past stimuli that are perceived as beneficial to the individual, and the existence of similar present stimuli, then it is more likely that s/he will behave in a similar fashion to previous stimulus.
3. Value Proposition: This suggests that the greater the expectation that benefits will be derived from the relationship (employment), then the greater is the incentive to remain in the relationship. Consequently, the more likely it is that an individual will behave in a way which will keep the relationship going. Thus an expectation that management will return favours, may prompt employees to work harder. One example could be 'job and finish', that is employees finish work based on the completion of a particular task with managerial approval, rather than clocking-off at a set or agreed time. The value for employees is going home earlier than normal, and for management it is the completion of a particular order.

4. Deprivation Satiation Proposition: This suggests there are limitations to the 'value proposition' above. That is to say the marginal utility of a benefit or reward will diminish over time. For example, after a period of time, constant praise from management about how hard employees work may be perceived as a hollow or false statement. Thus as a benefit, praise and recognition may not on its own satisfy costs. One remedial action may be to question the managerial prerogative.

5. Aggression & Approval Proposition. This has two subsidiary elements:

- i. When an employee's benefits do not equal his or her costs (no matter how subjectively determined), then worker behaviour is more likely to be aggressive to established norms of conduct within the relationship. This could, for example, take the form of unionisation within a non-union setting as a response against management, or even to exit the relationship completely.
- ii. When benefits are greater than expected, this may trigger behaviour which seeks further approval of the opposite party. Thus if management introduce a non-union voice channel, pay more than expected bonus, increase job variety or responsibility as an alternative to unionisation, then potentially, workers will behave accordingly and view unionisation as a less important option.

Blau's perspective goes beyond Homans principles, in that economic properties are incorporated while simultaneously recognising the surrounding social milieu as a potential influence on the relationship. The relevance of power between the parties and cost-benefit evaluations remain crucial, and in sociological terms, it

is the way the relationship is approached, made and modified over time which is of particular interest. Thus unlike a pure economic exchange (such as buying a car or house), there are a number of unspecified obligations, needs and wants that are likely to vary at some point in the future, but which cannot be precisely expressed at the beginning of the relationship. In this way the social exchange framework seeks to capture some of the complexity surrounding the employment relationship, and addresses some of the limitations noted earlier in both the legal and traditional views. As Clark (1994) suggests, viewing employment relations in this way allows us to explain:

“the sources of power and legitimacy, rights and obligations, that management and employees seek for themselves and apply to others”

(Clark, 1994:437).

With regard to the employment relationship, there are a number specific properties which can be drawn out of social exchange theory as articulated by Blau (1964). The first is the notion of ‘costs and benefits’. This raises the issue of rights and obligations for both parties; that is, one person’s costs are the other’s benefits. Thus social exchange recognises that people who enter the relationship feel obliged to provide some benefit in return for the other’s cost.

Second is that the theoretical ratio of costs and benefits mean the parties perceive (albeit subjectively) some notion of ‘fairness’. In other words, the exchange of costs for benefits requires a reciprocal ‘obligation’ to be understood by the opposite party. This is a crucial aspect of the theory. The ‘obligation’ is rarely specified at the outset, and therefore both parties ‘expect’ their opposite to meet their perceived notions of fairness during the relationship, implying a degree of trust that the opposite number will honour their part of the exchange. Indeed, it can be said that this is a fundamental requirement for the relationship to come into existence in the first place (Rollinson, 1993).

Yet during the course of the exchange, for employees to express a grievance or complaint will require some reference point upon which to base their notion of fairness or injustice. Hence the concept of 'relative deprivation' (Runciman, 1966) can be an important one. For instance, employees could base an evaluation of their own situation, on evaluations of a similar or comparable work group. To this end notions of relative deprivation can lead to action and behaviour to correct some perceived injustice.

However, the perception of injustice is not sufficient to warrant a change in behaviour. This raises a third distinction within social exchange theory, that of 'trust' within the relationship. No party can be entirely sure that the opposite number will honour his or her obligations (Blau, 1964; Fox, 1974, 1985). Equally significant to these theoretical considerations is that much depends upon how and why people experience the world around them, implying that actor attitudes and perceptions are important factors.

Kelly (1997, 1998) adds a similar consideration using social mobilisation theory. The suggestion is that reasons for a perceived injustice on the part of employees must be 'attributable' to someone or something (i.e. management), which suggests notions of 'them and us' between the parties. This would imply that any consideration of the employment relationship ought to recognise the complex combination of multi-dimensional facets. Kelly and Kelly (1994) also suggest that perceptions of injustice are underpinned by elements of 'social identification' among workers (inter-group) and management (out-group). The essential point being that perceptions of injustice, relative deprivation and identification are overlapping notions of trust within the relationship.

Finally, social exchange theory assumes an imbalance of ‘power’, typically expressed as (the) managerial prerogative. The effect, sources and impact of such managerial authority is of course subject to both situational and agency factors, yet the existence of power as an inherent feature of the employment relationship is a useful one for understanding non-union settings. It is relative rather than absolute power which is important (Molander & Winterton, 1994), defined as ‘the capacity of an individual or group to modify the conduct of other individuals or groups in a manner which it desires, and without having to modify its own conduct in a manner which it does not desire’ (Rollinson, 1993:40). Moreover, the very terrain of managerial prerogative, authority and legitimacy are highly contested areas according to a number of perspectives (Braverman, 1974; Fox, 1966, 1974; Buroway, 1979; Edwards, 1979), and essential matters when seeking to understand the coexistence of *conflict*, *co-operation* and *antagonism* in the employment relationship.

DEFINING THE EMPLOYMENT RELATIONSHIP

As already noted, a clear perspective of industrial/employee relations is both complex and at times problematic. The legal and economic rationale outlined above is regarded as too simplistic on its own. In an attempt to correct this, social exchange theory together with elements of labour process and social psychological perspectives are used in addition to traditional industrial relations.

In simple terms, one definition of a ‘relationship’ is:

“the mutual dealings, connections and feelings that exist between people or groups”

(Oxford English Dictionary, 1989, p712).

As a definition, this suggests that a multi-dimensional and multi-level approach is highly relevant to the essential features of social exchange theory. To begin with, a sense of ‘mutuality’ between parties to a relationship implies some

notion of trust, legitimacy and authority. Further, the 'dealings' which surround this mutuality also create an image of exchange and surplus value; what is exchanged by one party as a cost is another's benefit. Secondly, the word 'connections' suggests a consideration of particular aspects of identification between the parties; for example, how and in what manner do employees connect with and feel about management, trade unions and/or the organisation. Finally, 'feelings' are likely to be highly subjective and based on actor perceptions of the world around them. One way to incorporate these points is an appreciation of role theory to explain actor perceptions and their potential effects on behaviour.

BUILDING A SOCIAL EXCHANGE PERSPECTIVE: ROLE THEORY

As an analytical tool, role theory seeks to explain and understand behaviour in terms of the roles people play, according to the expectations of others. The expected or anticipated roles that people play are likely to vary over time, given the unspecified nature of the employment relationship. However, what is more significant for the present discussion is to note that roles can fall into one of three types: dependence; counter-dependence and inter-dependence role models (Kahn & Kram, 1994).

A classic example in which role theory can be used to describe dependency aspects is from outside the employment relations field, but nonetheless highly relevant. Experiments which created a hypothetical prison allotted roles of prisoner and prison warden, demonstrating the capacity of role authority in social situations. Here, prisoners soon adopted and viewed themselves in subordinate roles, while the guards adopted the role of superior, often demonstrating abusive and authoritarian behaviour toward prisoners (Haney *et al*, 1973). The point is that these people were drawn to a set of situational and social roles which influenced their behaviour. Equally important is that the

climatic environment is seen to prompt certain role attributes of actors (Kahn & Kram, 1994).

Within the employment relations field, Walton & McKersie's (1965) seminal work on negotiations demonstrates the dynamic roles of actors involved in the bargaining arena. In the non-union context, the recruitment of 12,000 employees for the Euro-Disney theme park has been described in relation to role theory (Storey & Sisson, 1994:11). Workers are not recruited as employees, but as 'cast members'; they are not employed on jobs, but 'cast in roles'. Furthermore, there is no selection process, but 'auditions'. As a way of defining the characteristics of the relationship, this example has been described as 'Behavioural-Taylorism'. On the one hand the relationship is determined by senior management. Job tasks are devised by the dominant actor (management) with few opportunities for employees to modify the relationship. Further, job parameters are a guarded preserve of the managerial prerogative, and any employee deviation is regarded as action outside their prescribed role. Here, sophisticated HRM techniques are combined with these role features to foster commitment to a team and company ethos. One implication of these features is that such practices can 'obscure the real commodity status of labour' (Ackers, 1998).

However, the way roles are determined and allocated can be subject to various external and internal factors. Two of the more prominent ones are *functional* and *personal* influences. The former can embrace features such as the hierarchical position of a foreman in relation to a subordinate in a factory; each has its own defined roles and tasks to perform, but evidently the foreman's role carries with it a higher status, authority and power than that of the worker. Other functional factors may be the way tasks are performed or work is re-organised as a social process (Berger & Luckmann, 1971).

The second factor is related to the *personal* abilities of role performers, and raises a link to the cognitive attributes of workers (and managers) in terms of the jobs they perform. This suggests the need to view the relationship not only as a system of processes, but also in relation to the more complex issue of attitudes and behavioural intentions of those involved (Kelly & Kelly, 1994).

An important way of addressing these complexities is the concept of *Altercasting* (McCall & Simmons, 1966), in which the parties develop (perhaps informally and even unconsciously) a set of mutual agreements about the 'behavioural expectations and obligations' of themselves and others, which accounts for variations in their roles. The dynamics of this interaction has been likened to a process in which 'people are involved in trading performances' (Rollinson *et al*, 1998). One further implication is that such trading of performances suggests the negotiation of some 'order'. Even in some of the more exploitative and competitive organisations, empirical evidence suggests that subordinate actors can, and do, exercise a significant degree of control in '*negotiating*' their perceived role (Ram, 1991; McKinlay & Taylor, 1996).

These theoretical and empirical suggestions provide a valuable basis upon which to build possible relationship features within a social exchange paradigm. *Altercasting* informs us that employees accept (to a certain extent) particular roles within the relationship, which can vary both within and between organisations. For instance, employees may recognise they are in an 'exploited' role because the dominant actor, say a supervisor, allocates workers certain subordinate tasks, which lead to reciprocal patterns of low trust, lack of motivation, dissatisfaction and them and us attitudes (Turnbull, 1988; Kelly & Kelly, 1991). Moreover, as these are highly perceptual, the implication is that actor attitudes are likely to be important measures when seeking to explain and evaluate what the employment relationship *is* in non-union settings.

However there are also limitations to this view. For instance, issues such as high or low trust may be caused by something other than the 'role performances' of actors, and come from a combination of *internal* and *external* influences on the relationship. Typically, product market shocks, employment legislation, local labour market conditions or even the presence/absence of a trade union can influence actor perceptions. Indeed, the very absence of a trade union is itself a significant factor to bear in mind. Employees with a previous history of unionisation may enter the relationship (and their role) with different and perhaps conflictual expectations to those of management.

With these theoretical considerations in mind, five dimensions are presented along which each organisation can be assessed. To select these dimensions, the following criteria were applied:

1. That the relevance and importance of each dimension is academically and/or empirically documented within the existing body of knowledge as a central feature of the employment relationship.
2. That the literature establishes a rationale for expecting that the position on a particular dimension could vary between organisations, and that these differences are amenable to explanations by empirical investigation.
3. That each dimension can be separately identified, both conceptually and empirically.

While other possible dimensions of the relationship were explored, these were rejected to avoid setting-up 'straw-men'. Those selected and included here are derived from a literature search, and a brief opportunity to pilot some of these considerations is explained in chapter five.

THE FIVE DIMENSIONS OF EMPLOYMENT RELATIONSHIP

What follows are the five dimensions used to examine and explain the approaches to making and modifying the employment relationship. While these are dealt with as separate dimensions, it is important to note that possible interconnections were acknowledged from the outset, and a return to this point will be made at the end of the chapter. The dimensions are:

1. Regulatory Approaches
2. HR Strategy
3. Trust
4. Formalisation
5. Discreteness of 'them and us'

REGULATORY APPROACHES

Regulation of the employment relationship is an essential aspect to evaluate because it expresses the degree of managerial control over the labour process. In the absence of a trade union there is bound to be an element of ambiguity about how rules are made, modified and regulated. Thus it can be crucial to identify the regulatory approach, if only because considerations of face validity implies that rules and procedures in the non-union firm may be determined by just one party - the employer.

Marsh & McCarthy (1968) argue that regulatory procedures ought to be both *acceptable* and *appropriate* to both parties. Within this traditional approach, post-Donovan models of rules and procedures tend to be viewed against the prevailing pluralist ideology. However, one view is that management has 'de-incorporated itself' throughout the 1980s (Dunn, 1993; Poole & Mansfield, 1993), suggesting that the *appropriateness* or *acceptability* of regulation has waned according to management.

However, analysis also suggests that regulatory approaches still require a degree of internal consistency, even in the absence of unions. Brown & Rea (1995) comment on the need to regulate practices and contractual obligations across the organisation in which management do not sacrifice their power or authority. One important tool for this is to try and harness employee voice regardless of a collective presence or not:

“ ‘voice’ may be mobilised through joint consultative processes without necessarily committing management to explicit negotiation. Consultation does not offer outcomes in the form of agreements, nor is its conduct so obviously dependent on the two sides’ power relationship”

(Brown & Rea, 1995:366).

More recent consultative tools have been linked to the involvement of employees as social partners to make and modify the relationship, although not necessarily through unions as the agents of social partnership (Millward *et al*, 1992; Marchington *et al*, 1994). Typically, these include a managerial emphasis on direct communication, quality circles, team/workplace meetings or cross-functional team working for example. These techniques imply the relationship is regulated through employee involvement and participation within the organisation. That is to say less emphasis on an adversarial environment with a move to one in which employees are incorporated into decision-making processes, albeit in differing degrees. In a similar vein, both Cressey *et al* (1985, 1986) and Ram (1991) discuss the implication of a ‘socially negotiated order’ within the non-union context, from which regulation is unilateral on the surface, but also involves less structured modes of regulation at individual levels.

Marchington *et al* (1992) show how a mix of ‘employee involvement’ techniques are transplanted in both union and non-union settings with the role of key actors (or ‘champions’ in Marchington’s terminology) influential in shaping

the process. At one extreme is a very visible approach, in which there is evidence for greater acceptance of change. At the other extreme is the view of unilateral decision-making which suggests a narrow opportunity for workers to participate in decision-making, with managerial imposed terms.

Overall, therefore, a combination of regulatory mechanisms can be viewed as relevant to the non-union relationship, ranging from semi-consultative to wholly unilateral approaches.

REGULATION: OPERATIONAL DEFINITION:

For the purposes of this investigation a continuum of different regulatory approaches is envisaged, the extremes of which are:

Unilateral Regulation

The extent to which management take complete control of all decision-making processes without taking cognisance of employee views in the making and modification of the relationship.

Joint Regulation

The extent to which management involve employees in making and modifying the terms of the employment relationship.

Operationally, 'regulatory approaches' expresses a combination of objective features and perceptions of the relationship. The former includes documentation, structures and procedures while perceptual indicators are concerned with the efficacy of the processes of regulation and modification.

HUMAN RESOURCE STRATEGY

The extent to which each employment relationship is strategically modified is one important way to explain what the relationship *is* in the absence of a trade union. According to Braverman (1974), management's key strategic objective is control of the labour process, by separating the 'execution' from the 'conception' of workers' tasks through scientific management. To this end employees are little more than a factor of production to extract surplus value (p171), and other forms of managerial control, such as human relations, are considered to "represent a woeful misreading of the actual dynamics .. of the ... labor process and control over it" (p86-87).

However, there is evidence to suggest Braverman's analysis is too pessimistic, with an over-reliance on Taylorism as the one-best (or only) strategy available to management, and therefore the *extent* of HR strategy as a dimension of the relationship can vary enormously (Buroway, 1979; Edwards, 1979; Wood & Kelly, 1988; McKinlay & Taylor, 1996). Wood & Kelly, for instance, have suggested that labour control is not the only motive for managerial strategies, and employers are concerned with a multitude of business-related issues. While it is apparent that managers are the dominant actor when it comes to considering HR-related matters, forming a strategic response opens up a combination of options to elicit control of the labour process (Foulkes, 1980; Purcell & Sisson, 1983; Kochan *et al*, 1986; Flood & Turner, 1993). Intuitively, a consideration of HR strategy in the absence of collective representation raises a number of issues.

First, the extant literature often relies on a 'business strategy' view of the whole organisation, with HR strategy a 'downstream' or 'second' to 'third' order consideration (Guest, 1987; Purcell, 1987; Sparrow & Pettigrew, 1988; Kochan & Katz, 1988; Storey, 1995). More significantly, indicators of HR strategy also

represent the measures of other aspects of the employment relationship, particularly management style, and one debate is whether style is the same as strategy (Legge, 1995: 30), and if the two are distinct, what is the causal symmetry between them. Does strategy influence management style or the latter shape strategic choices and subsequent policy (Fox, 1966; Purcell & Sisson, 1983; Kochan *et al*, 1986; Purcell, 1987; Kochan & Katz, 1988; Rollinson, 1993; Tyson, 1995).

For operational reasons, this investigation views HR strategy as distinct from managerial style, although in reality they are probably inter-linked, with policies an intervening variable between style and strategy. One major difficulty is that policies might never be written down. Indeed, policies and strategies may actually differ in practice (Tyson, 1995). Even coherent and well-planned strategies may be altered by line managers responsible for their implementation because they rely on a high degree of employee relations informality and custom and practice (Brown, 1972; Delbridge & Lowe, 1997). Such considerations tend to suggest that managerial style is a separate, potentially independent influence on strategy *implementation* if not strategic *formulation*, and this matter is further elaborated in chapter three, when considering management style.

Strategy is derived from the Greek word *strategos*, meaning a general leading an army (Legge, 1995). The implication is that a company's strategy is directed from above; a senior management activity. This suggests that the levels and processes of decision-making is an important proxy to assess HR strategy. Typically, this involves a review of personnel specialists or senior manager responsible for HR-issues at board level (Guest, 1987, 1991; Purcell, 1989; Boxhall, 1994; Kelly & Gennard, 1996). Indeed, Guest (1991) argues for:

“more detailed case study research on the development of HRM strategy, and on the roles and values of the key actors in strategy development”

Operationally, this requires a consideration of the processes of decision-making that are concerned with the way organisations manage employees (Miller, 1987; Mabey & Salaman, 1995; Legge, 1995; Tyson, 1997), to which there is some *intention* to view employees in either *reactive* or *proactive* terms (Marchington & Parker, 1990:59). The latter indicates that employees are viewed as an organisational asset to achieve competitive advantage, or that HR strategy has a “maximalist” orientation (Storey & Beardwell, 1995). In contrast, a *reactive* strategy may be viewed against short-term decisions concerning immediate HR-issues, or that HR strategy has a “minimalist” orientation (Storey & Beardwell, 1995).

Empirically, the issue of HR strategy has been raised within the non-union context. Foulkes (1980) suggests that personnel policies are at times viewed not as ‘soft’ strategic approaches to modify the relationship *per se*, but created in the image of managerial philosophies which are ideologically biased. In some of the cases visited by Foulkes (1980), there was a clear ‘strategy’ to avoid collective bargaining which was underpinned (if not influenced directly by) particular managerial preferences. One implication is that a view of ‘soft’ HR strategy (Guest, 1987, 1991) can actually represent ‘harder’ employment outcomes, such as insecurity, work intensification and a more exploitative orientation (Keenoy, 1997).

HR STRATEGY: OPERATIONAL DEFINITION

For this investigation, HR strategy is concerned with the extent and scope of a proactive (maximalist) and reactive (minimalist) orientation toward employees within the organisation. A union ‘suppression’ or ‘substitution’ strategy is

unlikely to be articulated or documented with any clarity, and the key proxy for strategy is principally the level and focus of employee-centred decision-making in the organisation. This is conceptualised as a bipolar continuum, the extremes of which are:

Proactive (maximalist) HR Strategy	Is a clear, planned vision of employees as a valuable asset to the organisation.
Reactive (minimalist) HR Strategy	Is the absence of a clear, planned vision with employees regarded as little more than a disposable factor of production.

As such, the indicators of HR strategy represent a series of observable measures, such as documentation, the structures and processes of personnel-related decision-making.

TRUST

The degree of trust between employees and management is a central feature in both understanding the employment relationship, and also in terms of the processes of modification. As a dimension to evaluate the relationship in each organisation, trust cannot be ignored. Indeed, without some degree of trust, it is arguable that the relationship can never come into existence (Rollinson, 1993). Perceptions of trust and mistrust also reveal a great deal about actor patterns of action which have an important link to social exchange theory.

One definition states that trust involves:

“The willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action”

(Davis & Schoorman, 1995:712).

A classic starting point in discussing the relevance of trust is the work of Fox (1974, 1985), which is firmly rooted within the social exchange paradigm of actor obligations to the other party:

“Trust [is to] observe a diffuse pattern of mutual obligations. The nature of what each owes the other is not precisely defined and each trusts the other to maintain a reciprocity over the long term. Of course either side may betray this trust”

(Fox, 1985:69).

A significant concept is Fox's development of the idea of *institutionalised* trust. This relates not to a sense of individual or personal trust between people, but that which is expressed through the 'roles, rules and practices' which are applied in industry. Employees may trust a manager as a person, but not necessarily trust his or her competencies to manage. For Fox (1974:66), trusting behaviour is 'not a global feeling of warmth or affection, but a consciousness of one's dependence on another'. In the context of social exchange theory, this tells us that one party cannot fully know at the outset that the opposite party will fulfil their expected obligations.

The antecedents of trust and mistrust in industrial relations can be traced to developments in the capitalist mode of production. Increasing mechanisation, the advent of Scientific Management/Human Relations which sought to define, control and prescribe the role of employees within the organisation in terms of output and productivity (Rose, 1984). This meant more detailed procedures and practices against which workers are supervised. Thus, for Fox, 'the greater the degree of discretion extended to workers, the more the latter feel that work rules and polices embody a degree of 'high trust' (1985:109), which can indicate a less unilateral type of relationship.

However, workers may actually be satisfied with low discretion roles and the implication of reciprocal low trust is ambiguous, as Fox also notes (1985:110). It may be that employees share a sense of common purpose with management in carrying out highly detailed and prescriptive activities. One difficulty with the latter is that while a unitarist perspective may be desirable to one or both parties, it ignores the diversity of interests which can be brought to the workplace, not least former experiences of unionisation on the part of employees. Indeed, both theory and empirical evidence suggest that a unitarist approach has typically sought to evoke a high-trust response, but from low-trust work regimes (Fox, 1974, 1985; Turnbull, 1986).

Recent literature has raised the issue not of trust *per se*, but a related concept of empowerment as a way to capture a greater degree of discretion within the workplace (Ashness & Lashley, 1995; Cunningham *et al*, 1996; Wilkinson, 1998). Empowerment is concerned with 'engaging employees at an emotional level' by persuading them to accept personal responsibility and have the authority to take decisions (Ashness & Lashley, 1995:17). The implication is that empowerment is about greater trust by 'expecting' that one party (e.g. workers) will fulfil its obligations from increased task autonomy and self-management. However, the rhetoric is likely to be different from the reality (Legge, 1995), and while it is employers who say they empower workers, this does not necessarily translate to any *de jure* sharing of power in the sense of (tripartite) industrial democracy (Bullock, 1977; Marchington *et al*, 1992).

The relevance of empowerment for this investigation is that the approach (even as an ideology or perception) implies some degree of trust. Empowerment claims to give employees an opportunity to become involved via an individualised labour process (Wilkinson, 1998), which may well be pertinent to avoiding collectivism and thus unionisation. Moreover, empowerment 'implies'

that there is less reliance on a subordinated role within the relationship, and this can be viewed as one way of engendering desired role behaviour. More critically, however, empowerment resembles 'high trust commitment on the part of employees but which is often colonised by management' (Willmott, 1993). This would indicate that one party (e.g. management) seek to shift the balance of their cost-benefit obligations to obtain an advantage at the other party's (e.g. employees) expense.

Interestingly, empirical evidence suggests that a combination of indicators show a declining perception of trust and empowerment among employees, and these are shown in summary form in table 2.1.

Table 2.1: Survey Indicators of Employee Trust & Empowerment

	1984	1985	1986	1987	1989	1990	1991	1993	1994	1995
Employees' say in decisions affecting their work (%)										
<i>Should have more say</i>		36		46	44		45	52		
<i>Satisfied with the way things are</i>		63		53	54		54	47		
Management will always try to get the better of employees if it gets the chance (%)										
Agree		51.5	51.6	60.9	61.3	57.9	62.7	63.4	64.0	
Disagree		24.6	27.3	19.8	19.0	19.2	15.4	15.0	14.2	
Big business benefits owners at the expense of workers (%)										
Agree			53.9	51.1	52.8	52.4	49.5	54.8	60.1	61.7
Disagree			19.0	22.1	21.5	22.6	18.5	17.0	13.6	15.3
In general how would you describe relations between management and other employees at your workplace (%)										
<i>Very good</i>	36	38	34	34	32	38	34	31	29	30
<i>Quite Good</i>	47	45	47	48	49	44	45	47	47	45
<i>Not Very Good at all</i>	16	16	19	18	18	17	21	20	24	24

Source: British Social Attitude Surveys: Hedges, 1994/95, in Jowell *et al*, 1984-96; Kelly, 1997.

On all four indicators in table 2.1, the general picture is one of less trust and empowerment. Between the early 1980s to mid-1990s, fewer employees

believed they have a say in work-related decisions and even fewer saw relations between workers and managers as very good. Moreover, between 1986 and 1995 those who believed managers/big business will try to get the better of workers if given the chance (e.g. a shift in the cost-benefit advantage) increased from 54% to 62%. Thus trust begets trust, and mistrust (or more accurately, perceptions of mistrust) begets mistrust in return (Blau, 1964)

It is important to recognise, however, that other factors may be attributable to a high or low trust relationship: changes in the law, technology, or labour/product market fluctuations. Sudden or unforeseen shocks to the market may lead to some managerial action which can destroy a level of trust built-up during times of affluence and greater certainty. These matters will be explored in chapter three where they are treated separately as possible independent influences on the dimensions of relationship; for the present, the aim is to conceptualise trust in the context of this investigation.

TRUST: OPERATIONAL DEFINITION

Trust is very much based on the beliefs held by the parties, which may even be subjectively determined. In other words, trust is a social-action phenomenon, that is regarded as reality for those who experience the relationship. Conceptually, trust can be viewed in relation to a continuum, at one end high and at the other end low trust can be envisaged.

High Trust **The extent to which both parties are perceived to honour their cost-benefit exchange obligations within the relationship, without policing by the other party in order to ensure fulfilment of their obligations.**

Low Trust **The extent to which either party believes the other will not fulfil their cost-benefit obligations within the relationship.**

FORMALISATION

The dimension regulatory approaches discussed earlier is applicable to ‘visible’ forms of regulation. Formalisation adds to the latter by assessing degrees of formality and informality. This is an important dimension in its own right because many relationships, particularly those applicable to larger organisations, have been conceptualised in terms of bureaucratic control (Durkhiem, 1933; Ray, 1986). However, smaller firms are often described as having informal and close friendly relations, which can represent an alternative to bureaucratic structures of control.

Conceptually, formality and informality are fundamentally distinct from regulatory tools in making and modifying the relationship, since regulatory methods could be initiated by management in either formal or informal ways. For example, and despite the Donovan prescription for greater formality, managers have often had to rely on a high degree of ‘custom and practice’ between the parties in modifying work arrangements (Brown, 1972; Terry, 1977; Ram, 1994). In many ways, the use of informal arrangements within the relationship is very much an indicator of social exchange, as informal relations suggest *how* the relationship is regulated as well as the *methods* to regulate.

In terms of the non-union situation, informal relations also add credence to a stronger focus on social action and actor perceptions which go beyond visible and structural features. Concomitant with social exchange theory, there is evidence to confirm that line managers have to engage in informal relations with workers to ensure an efficient level of production and, potentially, a greater propensity to keep the relationship going (Delbridge & Lowe, 1997). Another scenario arising from informality, and one discovered in a non-union

organisation (McKinley and Taylor, 1996), is where a diffusion of group norms and values led workers to resist deviations from established decision-making practices, essentially ‘*negotiating*’ accepted role performances. In this context, informal relations would imply that there are features of the relationship which are not written-down, but nonetheless understood by the parties. For Brown (1972), these forms of relations become an accepted part of the relationship.

Equally important is the empirical evidence from smaller firms. For Scott *et al* (1989), “informal routinisation” serves to obscure the employment relationship with family and personal ties. Moreover, this suggests that informality, in particular, may be indicative of a more individualised approach to making and modifying the relationship which could avoid collectivism, or at least replace it with individualism, and thus maintain non-unionism.

Conceptually, therefore, the depth of informality suggests an alternative approach through less structured methods than that revealed under regulation. Significantly, informality can also be an important control device within the relationship. Furthermore, both informality and formality may be simultaneously present within an organisation, and to different degrees (Purcell, 1987), which has a bearing on the approaches to make and modify the relationship.

DEGREES OF FORMALITY AND INFORMALITY: OPERATIONAL DEFINITION

In operationalising formality the use of both observable (i.e. documented data) and perceptual (i.e. actor experiences) methods are likely to be required. Again, conceptual bipolar extremes can be used to represent each end of a continuum:

Formality **The extent to which formal relations, rules and procedures are used as the *main* method of regulating and modifying the relationship.**

Informality **The extent to which informal, face-to-face contact is used instead of formal rules and procedures as the *main* way of regulating and modifying the relationship.**

DISCRETENESS

Discreteness is a twin-dimensional way to capture the depth of ‘them and us’ attitudes between workers and management, and is regarded as an extremely important dimension to show the flavour of the relationship in each organisation. It is consciously labelled discreteness to assess its twin-dimensional character following Mowday et al (1982), D’Art & Turner (1997) and in consideration of the results of a small scale pilot exercise, which is explained in chapter five.

The first of these sub-dimensions is ‘attitudinal them and us’, conceptually viewed as a distinct set of feelings/perceptions between the parties. Mowday et al (1982) make a distinction between ‘attitudinal’ and ‘behavioural’ commitment. This implies that attitudinal feelings and behavioural actions are not always comparable. Further to this, Kelly and Kelly (1994:64) suggest a similar differentiation between in-groups (i.e. workers) and out-groups (i.e. management) as way to capture more explicit attitudinal perceptions. In simple terms, workers believe that management is a separate (out) group to themselves.

The second sub-dimension for discreteness is ‘behavioural them and us’, conceptually viewed as an identification with groups whose interest are conflictual to those of the out-group (management). Following Kelly & Kelly (1991, 1994), the ‘behavioural intentions’ of non-union employees can be

assessed by the degree of identity towards trade unions as a group whose interests are conflictual to management [1]. This would then suggest that, in addition or in coexistence to attitudinal feelings, there may be behavioural actions as an important feature of the relationship.

As a dimension of the relationship, discreteness has a further advantage within a social-action and social exchange paradigm. Discreteness is the sum of attitudinal 'them and us' on the one hand, and behavioural 'them and us' on the other. This fits in with what Child (1970) regards as the more significant aspect of attitudinal analysis, that of *relative* perceptions.

In terms of the approaches to modify the relationship, however, it is also important to recognise that both attitudinal and behavioural intentions can be shaped by external as well as inter-group influences. Piore & Sabel (1984) raise the implication of increasing 'flexible specialisation'. Briefly, perceptual identification between the parties is potentially linked to various changes in the economy, technology and social relations of production. What is significant here is the claim that workers view management less as 'opponents' because of economic changes from a mass to specialised production method. Further, in the transition to post-modern societies, class stratification is being dissolved with less of a 'them and us' distinction (Kulmar, 1995), implying that organisational members work more towards gaining competitive advantage within a unitarist approach. Bacon & Storey (1996) suggest that trade unions have missed the opportunities to respond to such change, concluding with the 'fracturing of collectivism' thesis. In other words, workers share different (i.e. individual) interests inside the organisation, implying intra-group conflict as opposed to separate 'in- and out-group' identification.

¹ This assumption is made on the basis that a union represents a challenge to the managerial prerogative, despite growing claims of a new wave of 'partnership' among employers and trade unions (see, for example, Heery, 1996; Bacon & Storey, 1996; TUC, 1997).

Yet others (Kelly & Kelly, 1991) have shown, empirically, that even where employees have displayed positive attitudes toward opponent groups (e.g. employees toward managers), the underlying basis of social identification expressed as ‘them and us’ attitudes has not been eliminated. Indeed, behavioural intentions and collective group identification still correlate significantly (Kelly & Kelly, 1994; D’Art & Turner, 1997; Kelly, 1997). Moreover, the theoretical rationale for discreteness is comparable with key features of social exchange; namely, perceptions of injustice, relative deprivation, trust and power.

DISCRETENESS: OPERATIONAL DEFINITION

Each of the two components that make up discreteness, ‘attitudinal’ *and* ‘behavioural them and us’, can be viewed along two continua as follows. In this way, data collection methods are concerned with a social-action framework that tap how the actors experience the phenomena.

Attitudinal Discreteness **Is the extent of out-group (e.g. management) support and identification among employees.**

At one extreme is a unitary view of the employment relationship, with a high degree of support for and identification with managerial objectives. At the other extreme is a more ‘them and us’ perception of the relationship, with a high degree of dissatisfaction to out-group objectives.

Behavioural Discreteness **Is the extent of an alternative collective group identification (e.g. support for trade unions).**

At one extreme is high degree of support for trades unions among non-union employees.

At the other extreme is a strong anti-union perception among employees.

Conceptually, the use of both attitudinal and behavioural them and us within the relationship, may represent a situation where workers show support and identification with both out-group (i.e. managerial) and inter-group (i.e. trade unions) objectives. This may be less eloquently described as a 'put-up and shut-up situation'. On the one hand workers may appear supportive of out-group (management) values, yet on the other hand, employees may have little alternative but to offer the impression of support for management given the absence of a trade union to articulate their needs and wants. This is highly reminiscent of the dilemma between 'free in theory and forced in practice' by Cohen (1988) noted earlier.

INTERRELATIONSHIPS BETWEEN DIMENSIONS

As already hinted at various points in this chapter, viewing the employment relationship as a dependent variable, made up of separate dimensions, is potentially problematic if not misleading. In reality, there are likely to be relationships between the five dimensions. For instance, regulation and formality may well go hand-in-hand within many organisations, and trust could be an important influence on them and us attitudes. Similar links between HR strategy, regulation and formality are possible.

Thus it is important to emphasise that these dimensions are used primarily to characterise the relationship for the purpose of empirical investigation. The researcher's task is to make sense of the real world by detailed scrutiny,

examination and analysis (Robson, 1993), and the dimensions are regarded as an aid to that process of investigation, rather than an *a priori* theoretical outcome in itself. One way to further understand this potential overlap is through a continuum of possible relationship typologies, building on the five dimensions above, and this is considered next.

RELATIONSHIP TYPOLOGIES

From these theoretical considerations, a conceptual typology for non-union relations is outlined in figure 2.1. Typification involves combining the theoretical dimensions discussed in this chapter, to simplify an otherwise complex task (Hempel, 1965).

In building a suitable understanding of the relationship there are a range of complexities to be considered. Both conceptually and methodologically, it should be recognised at the outset that the relationship is not a fixed entity, but rather a combination of dynamic and bipolar processes. Moreover, these processes are likely to be continually in motion, changing both with the wider social conditions of which the relationship is a part, and influenced by the behaviour of actors within it. The result is a conceptual array of overlapping continua, some more significant than others at different points in time. In other words, the relationship itself is essentially a *dynamic* process.

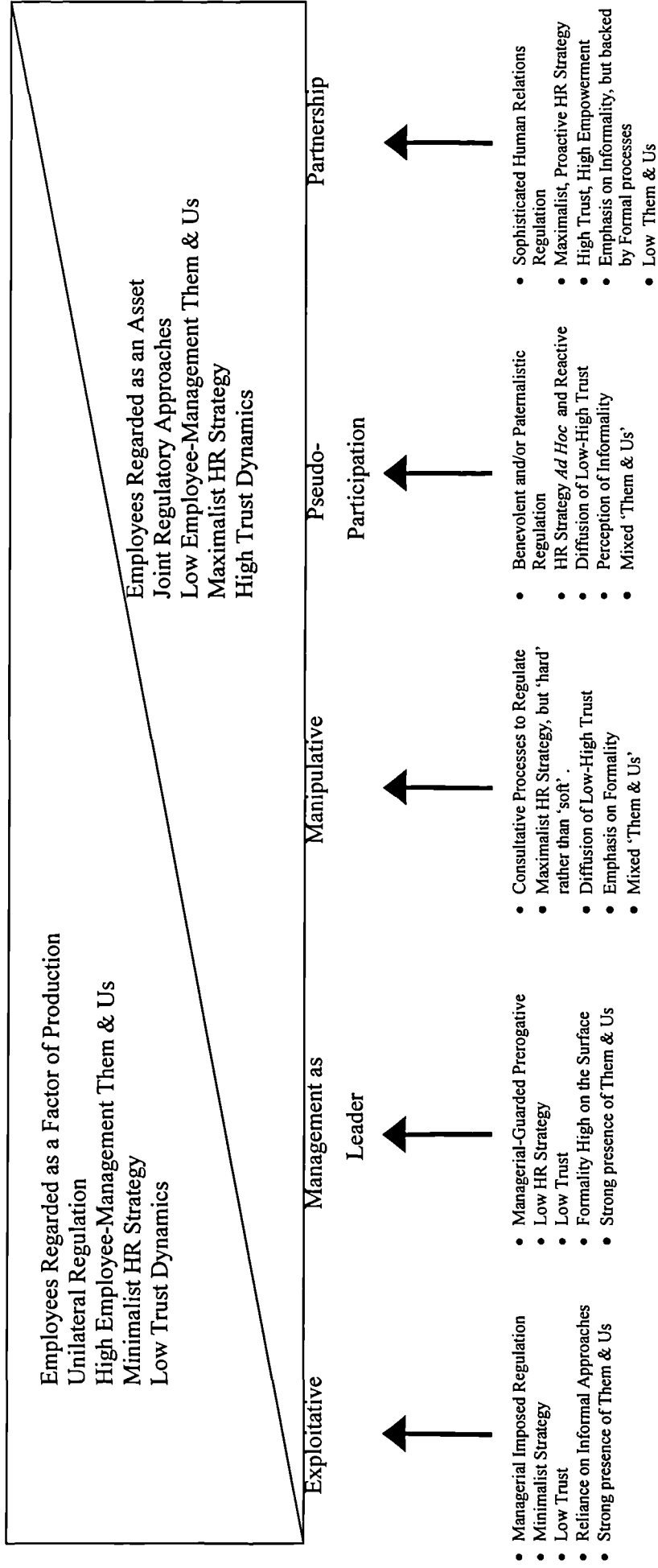
Another way to understand this complexity is to recognise, that in reality, there is no 'perfect' type of relationship (Kitay & Marchington, 1996). What is crucial is that while the use of typification is subject to these polar dynamics, the framework ought to be relevant to the subject of study. What this means is that while organisations are likely to combine different characteristics of a relationship, both within and between firms and across time, the more important features of typification involve internal consistency and its utility for empirical

enquiry. Returning to the basic research aims, therefore, it is important to ask *what is* the relationship, and in what ways does that relationship influence how it is made and modified?

To this end figure 2.1 has been devised from existing empirical literature. At one extreme is an 'exploitative' approach with few processes to make and modify the relationship, with the main feature being managerial unilateralism. Small establishments have typically been associated with such an approach (Rainnie, 1985; Scott *et al*, 1989; Scase, 1995), but larger organisations have also been shown to display similar characteristics if not identical practices in the absence of a trade union (Foulkes, 1980; Turnbull & Wass, 1996).

At the other extreme is a more trusting relationship labelled 'partnership'. Sophisticated human relations have been associated with non-union companies such as IBM or M&S (Cressey 1986; Turnbull & Wass, 1996). The middle types, 'management as leader', 'manipulative' or 'pseudo-participation' have been devised to account for the complexity and variation. The complexity of these latter types is that, intuitively at least, they are likely to be characterised by a combination of features: mixed 'them and us' attitudes, varying degrees of 'formality and informality', differentiated 'trust' and 'strategic approaches' to the employment relationship. Indeed, given the complex and contradictory nature of employment relations, it is feasible to encounter firms where the relationship is characterised by joint regulation, a proactive HR strategy in which employees are regarded as an organisational asset, yet experience low trust dynamics. Similarly, high trust could be evident among workers exposed to an exploitative regime. In accounting for these contradictions, attention will be given to the social exchange processes at workplace level.

Figure 2.1: Conceptual Characteristics of Different Types of Employment Relationship



CONCLUSION

This chapter first discussed the traditional view of the employment relationship. The economic and legal limitations of this perspective were stressed, and an alternative paradigm suggested, that of social exchange theory. It was suggested that the latter, in combination with role theory, provides the opportunity to define and assess what is essentially a highly dynamic and variable phenomenon.

From this, the rationale for five dimensions that usefully characterise the employment relationship were presented, together with their conceptual definitions. It was subsequently noted that, in reality, there may well be potential interrelationships between these, and a continuum of possible relationship typologies was presented to understand this complexity.

The question of potential independent influences upon these dimensions is the subject of chapter three.

CHAPTER THREE

FACTORS AFFECTING THE EMPLOYMENT RELATIONSHIP

INTRODUCTION:

This chapter considers the potential influences on the dimensions of the employment relationship described in the previous chapter. Following a general discussion of sources of influence, five groups of factors are presented together with the rationale for their inclusion. A brief indication is also given of matters that need to be taken into account in operationalising these variables. Finally, the chapter contents are brought together with those of chapter two and a simplified conceptual model presented, which describes the relationship and the groups of influencing factors.

GENERAL OVERVIEW OF RELATIONSHIP INFLUENCES

In both micro and macro terms, the 1980s saw a transformation in employment relations. Above all, the state adopted a much more antagonistic and ideological role towards unions, while consciously promoting non-union relations (Department of Employment, 1981, 1991; Beaumont & Harris, 1991; McLoughlin & Gourlay, 1994). Significantly, this ideology was often articulated in an uncompromising manner which had a potential to shape the opinions of key actors in the relationship. Wedderburn (1986) comments on the former government's ideological stance thus:

“Those who opposed the new policies increasingly ran the risk of being seen not as critics with whom to debate and compromise (the supreme pluralist virtue) but as a domestic enemy within, which must be defeated ... (quoting government spokesman). ‘The mining dispute cannot be *settled*. It can only be *won*’ ”.

(Wedderburn, 1986:85)

The ideological and political influences were underpinned by a policy shift to privatisation, deregulation and neo-liberal market economics. Consequently, managerial attitudes have become increasingly self-confident (Poole & Mansfield, 1993). This does not necessarily mean that management have

become more aggressive or 'macho' *per se*. Rather the environment in which they operate has created an added a degree of self-confidence in modifying the employment relationship to their advantage. Thus managerial preferences in the non-union setting imply a greater focus on unilateral regulation:

“Britain is approaching the position where few employees have any mechanisms through which they can contribute to the operation of their workplace in a broader context than that of their own job”

(Millward, 1994:133).

In seeking probable influence on the dimensions of relationship outlined in chapter two, the list of possible factors is almost infinite. Those that are included have been identified as the most relevant from prior empirical and theoretical work. The selection of these potential independent factors were informed by three general criteria, which are:

1. There should be a well-grounded rationale, supported by empirical and/or theoretical considerations, which suggests that a factor can influence one or more of the dimensions defined in chapter two, either directly or indirectly.
2. That each factor is operationally distinct which can point to differences between the characteristics of the relationship in each organisation.
3. That the actors in the relationship recognise each factor as a potential influence, even if they do not consider it as one which influences their own actions and behaviours.

THE FIVE FACTOR GROUPS

The following five groups of influencing factors are included, and these are discussed in greater detail in what follows:

1. EXTERNAL ENVIRONMENTAL FACTORS; including government policy, legislation, technology and market influences.
2. STRUCTURAL ENVIRONMENTAL FACTORS; including company size, ownership and nationality of each organisation.
3. PERSONNEL FACTORS involves managerial style, decision-making processes and non-union voice mechanisms in each organisation.
4. ACTOR FACTORS; involving attitudinal considerations, occupational diffusion and biographic data of those involved in the relationship.
5. CLIMATIC FACTORS explore the environment or general 'atmosphere' against which relations are conducted at enterprise level.

GROUP 1: EXTERNAL ENVIRONMENTAL FACTORS

GOVERNMENT POLICY:

The role of the state in influencing employment relations has long been recognised as axiomatic (Phelps-Brown, 1959; Donovan, 1968; Clegg, 1979; Wedderburn, 1986). Moreover, there is an abundance of empirical evidence to show that government policy has influenced regulation, especially through reforms to collective bargaining (Clegg, 1979; Wedderburn, 1986; Pendleton & Winterton, 1993), and it seems likely that state support for non-collective mechanisms could be equally influential. Of more immediate relevance for this investigation are events post-1979, from which the influence of 'political contingency' has been shown to be an important determinant on the 'strategic' management of industrial relations (Pendleton & Winterton, 1993). This marks a political, legal and ideological assault on collective representation that has influenced (indeed, promoted) a non-union relationship in several ways (Kessler & Bayliss, 1992; Edwards, 1995; Ackers et al, 1996).

The first of these is the policy of treating trade unions as a supply-side constraint to the 'free' operation of the labour market; for some authors, even *the cause* of unemployment (Hayek, 1980; Minford, 1982). To this end collective bargaining was not only discouraged by the state, but non-union relations were vigorously encouraged by arguing that greater managerial freedom, informality and control over the human resource would yield significant advantages to employers (Department of Employment, 1981; 1991). Indeed, it is against these state policy implications that McLoughlin & Gourlay (1994) locate what is perhaps the most extensive British study of non-union employee relations to date. To cite:

“At midday on 2 March 1989 Gareth Morris walked out the gates at GCHQ ... for the last time. Mr Morris had been sacked, ending 40 years of trade union membership at GCHQ. He was the last union member left at the centre, a ban on the membership of independent trade unions having been instituted some five years earlier by Mrs Thatcher's Conservative government ... This attitude was one which held that trade unions were a barrier to the efficient operation of the labour market and that employers should look to non-union firms for examples of how to manage their industrial relations ... The banning of trade unions at GCHQ ... showed that the government was prepared to practice what it preached”

(McLoughlin & Gourlay, 1994:1-2).

A second relevance of government policy lies in contemporary political developments, not least of which given the timing of this investigation, is the election of a 'new' labour government. One interesting theme is that a long history of close union-labour party relations appear to be showing surface cracks. Speaking at TUC Congress House shortly before the election, Tony Blair explained that unions should not 'expect favours but fairness' (Unions 21 Pamphlet, 1993). What is significant about Blair's comment is that it appears to mark a break from what Callinicos (1996:16) explains is a well-established labour party role: the "political expression of trade union bureaucracy". In other

words, as a source of influence on the employment relationship, state policy (even under a new labour government) is tilted toward a political-business rather than political-worker stance. This would suggest that management are likely to remain the dominant actor which could be heightened in non-union environments.

Government policy toward such issues as union recognition has been linked with particular (exploitative) managerial styles, such as those at the Grunwick processing plant in 1976 (Purcell & Sisson, 1983); a factor that can influence all dimensions of the relationship, through such features as unilateral regulation, low trust, a minimalist HR strategy and strong them and us attitudes between the parties. Moreover, state policy has been shown to be an important lever on such influences (Purcell & Sisson, 1983), although probably expressed through another (intermediary) factor discussed below, that of climate.

State policy can also be seen to shape the prevailing attitudes and expectations of managers (Poole & Mansfield, 1993), which is perhaps the most important reason for its inclusion. In all likelihood it is not necessarily the outcome of government action that has a direct effect, but how the parties perceive their cost-benefit exchange in the light of the prevailing wider political environment (Kochan *et al*, 1986; Kochan & Katz, 1988). Conceptually, therefore, a consideration of state policy is highly relevant, and points towards an operational framework that takes account of actor attitudes and perceptions of the political environment. As such, the broad operational definition adopted for this investigation, is the extent to which management in each organisation perceive that state policy has provided a cost-benefit 'advantage' or 'hindrance' in maintaining a non-union relationship. Accordingly, this can be conceptually viewed within a continuum framework, with an 'advantage' perspective at one extreme, and a 'hindrance' role at the other.

LEGISLATION:

In chapter two it was noted that the legal and economic view of the relationship (i.e. the contract of employment) has a number of limitations. In social exchange terms, however, the impact from labour law is extremely relevant, especially statutory legislation. Indeed, 'juridification', that is, the extent to which the legal system controls employee relations, has an important social and economic dimension which has the capacity to influence actor behaviour (von Prondzynski, 1985).

Of course, legislation which affects the employment relationship is also an extension of government policy. It is the state that implements statutory obligations on employers and employees, and it is the state that has the power to alter statutory law (Whincup, 1991). Indeed, since 1979 employment law reform has been a central plank in the restructuring of industrial relations, with an average of one major piece of statutory legislation every two years (Ackers *et al*, 1996). Thus policy and legislation may not be true independent influences.

In addition, when considering change in labour law as an influence on the employment relationship, there appears to be a number of contradictions. One is that few employers in Britain, with the exception of well-publicised cases (notably print and newspapers), have been willing to use the law to seek injunctions against unions (Evans, 1987) or actively promote a non-union relationship by legal measures. Another difficulty is that the precise causal symmetry between labour law reform and its impact on the dimensions of the relationship is not always clear. Other mediating factors, such the economy, product or labour market may be a more significant influence (Kessler & Bayliss, 1992; Dunn & Metcalf, 1996), and these are considered separately below.

However, despite these contradictions, the impact of the law is a potentially relevant influence for a number of reasons. First, examples such as the abolition of the closed shop, secondary picketing and restrictions on industrial action have arguably restricted the ability of unions to represent and recruit members. Consequently, in the absence of unions, the law may have stimulated a more individualised and unilateral managerial approach (Bacon & Storey, 1993; Brown & Rea, 1995), which has been translated into less formal regulatory methods as a central dimension of the relationship (Marchington & Parker, 1990). Indeed, under the forthcoming Employment Relations Bill (1999), organisations that employ less than 20 workers are excluded from important individual and collective rights. This could imply that some relationships will become more formally regulated while smaller firms are more informally determined.

As a result, both previous and impending legal developments (i.e. union de-recognition practices and recognition rights) could be related to HR strategy (Smith & Morton 1993; Gall & McKay, 1994; Claydon, 1989, 1996). While examples of employers actively using the law to exclude unions are few, there are cases that act as precedents and therefore influence the employment relationship. The example of journalists at the Daily Mail, for instance, would imply that legislation has opened-up less visible means of union de-recognition as a way to modify the relationship on management's own (unilateral) terms. Here, employees were offered financial inducements to renounce union membership as a way to 'engineer' a non-union relationship as a key managerial aim, backed by legal reforms. In terms of the dimensions of the relationship, the prevailing legal climate may also promote a particular individualised, non-union HR strategy. A similar strategic theme was found among managers at Fawley (Ahlstrand, 1990), with a non-union approach conceived in the 1970s.

These considerations raise the issue of whether legislation has had an ‘indirect’ or ‘direct’ influence on the terms of the relationship, which has been a neglected issue in the current body of evidence. As the law is linked to the role of the State, its potential impact is perceptual and behavioural. In other words, the influence can be because the parties perceive that the socio-legal environment is beneficial (or not) to non-unionism. Consequently, the law could affect the dimensions of the relationship in less direct ways. It can be argued that the law has sought to substitute individual for collective work relations (Wedderburn, 1986; Whincup, 1991; Bacon & Storey, 1993; Legge, 1995), which can impact on both the dimensions of the relationship and other independent factor groups discussed later, such as a preferred managerial style and employee voice (Purcell & Sisson, 1983; Purcell, 1987). Legal developments arising from European Directives require management to establish employee consultative systems in the absence of a trade union for redundancy and business transfer undertakings (Hall, 1996). In many ways, there is an important ‘chain of events’ which can influence the industrial relations climate and, in turn, the dimensions of the relationship (Kochan & Katz, 1988).

Operationally, the main concern in this investigation is to evaluate whether management have, or perceive they could, use changes in employment law as an ‘advantage’ or ‘hindrance’ to modify the employment relationship in the absence of trade unions.

TECHNOLOGY:

In reality technology is likely to be influenced by two important considerations: management itself and the type of product/service that is the output of an employing organisation (Kochan & Katz, 1988). For the purpose of this investigation it is the impact of technology on work processes that is regarded

as a key source of influence on employee relations (Fox, 1985; Pollert, 1988; McLoughlin & Clark, 1994; Garrahan & Stewart, 1992). In relating technology to the dimensions of the relationship, its influence can be shown to impact on HR strategy and the behaviour of actors involved, in three main ways.

First, as Pollert (1988) suggests, the drive for flexibility and efficiency from technical restructuring can translate into exploitation through low wages and casualisation, and also exploitation through higher wages but insecure (e.g. temporary) work, pointing toward a particular type of HR strategy. This can be either (or both) a core and periphery labour strategy for capital utilisation.

Second, the debate concerning the impact of technology on employee behavioural patterns (Blauner, 1964; Child, 1972; Thompson, 1983) suggests a paradoxical influence of technology, which can be shown to influence both managerial style and the HR strategy. On the one hand, increased technical knowledge over work processes may mean less demand for labour. That is, employees are viewed more as a disposable factor of production and replaced by capital. On the other hand, employees with the technical expertise obtain a greater degree of influence over the labour process and gain an enhanced capacity to modify the relationship. For such employees, a degree of bargaining power may emerge from technical knowledge, which can influence how the relationship is regulated.

Finally, Child (1972) notes that technology is often chosen by management for reasons connected with its ability to control employee behaviour as much as the reasons for operational efficiency. Similarly, in defining the relevance of technology, Fox (1985:13) emphasised its social impact on the relationship: “govern[ing] what work is done, how it is done, and the relationships which prevail between those doing it”. As such, social relations can alter because of

technology (McLoughlin & Clark, 1994), sometimes accompanied by less trusting relationships which are characterised by 'them and us' attitudes.

Operationally, therefore, technology warrants a consideration of both perceptual and objective aspects. The issues are: whether technology is regarded as a tool to modify the employment relationship to management's advantage; the type of technology that is used (e.g. labour substitution effect); how it is used and how these things came about within each employing organisation. In terms of a conceptual definition, the relevance of technology can be viewed at two levels.

1. At one level is the extent to which technology is utilised by management to control employee behaviour and social relations within the organisation.
2. At another level is the extent to which technology is predominantly concerned with operational and production capabilities.

However, the two are likely to be linked (Child, 1972; McLoughlin & Clark, 1994). Even where technology is primarily concerned with operational efficiency, it can also result in a capability for social control.

LABOUR/PRODUCT MARKETS

Labour and product markets are regarded as important influences on key dimensions of the relationship (Kochan *et al*, 1986; Marchington & Parker, 1990; Flood & Turner, 1993; Legge, 1995), particularly so for this investigation.

First, the regional context of both labour and product markets are likely to vary between organisations (Gunnigle, 1995), which can influence more than one of the dimensions of the relationship; namely, discreteness, HR strategy, trust and

regulatory mechanisms (McLoughlin & Gourlay, 1994; Gunnigle, 1995; Bacon, 1997). For example, Bacon (1997) notes that employee relations at a non-union steel plant on the Isle of Sheppy contained a strong element of them and us between the parties. The effects of local social and economic factors were clearly evident. Social deprivation and unemployment in the area was felt by both parties to affect the labour market in a way that was to management's advantage. Allied to this, the company had experienced a period of growth and product market stability. McLoughlin & Gourlay (1994) also comment on a similar product market pattern for some of their case studies, although they also identified a different situation with regard to labour market factors. In particular, labour market conditions were extremely competitive, given the high cost of living in the South East of England. Consequently, the labour market pushed management in the direction of a proactive HR strategy to recruit and retain suitably qualified employees. Other studies have also shown that the location of different plants can be linked to a greater strategic managerial role, especially the need to match business demands and labour relations policies (Foulkes, 1980; Whitaker, 1986; Flood & Toner, 1997).

Another impact of local market circumstances has been linked to union 'avoidance' strategies and styles of management shaped by favourable or unfavourable economic circumstances (Broad, 1994; Gunnigle, 1995). For example, Gunnigle (1995) comments that management in some non-union firms consciously articulate the possibility of 'job insecurity' to suppress unionisation, legitimised because of local market circumstances:

“many of the non-union companies studied are adopting more of a 'stick' than a 'carrot' approach to sustaining non-union status. Such an approach is heavily reliant on a slack labour market”

(Gunnigle, 1995:37).

An important consideration derived from existing literature is that market influences require a perceptual as well objective methodological rationale. Marchington & Parker (1990:253) show that employees can receive messages and images about the 'state of the market' according to management's own interpretations, which can be ideologically biased and influence employee trust. In McLoughlin & Gourlay's (1994:89) DECO case study, company policy prohibited discussion between workers of individual pay rates. However, in the unionised firm there is an alternative source of both labour and product market information - that is, the trade union itself. Conversely, in non-unionised organisations employees are reliant on management, the firm's customers or their own interpretations of market information.

Operationally, market influence is considered in two ways for this investigation:

1. The first is objective data about product/service market factors. To this end Marchington & Parker's (1990) scheme for 'ease of entry' for competitor companies is adopted together with a profile of each firm's market position.
2. The second is a consideration of the labour market, and McLoughlin & Gourlay's (1994) ease-difficulty continuum to recruit and retain suitable employees is adopted.

GROUP 2: STRUCTURAL ENVIRONMENTAL FACTORS

OWNERSHIP/NATIONALITY

The ownership and nationality issue can affect the dimensions of the employment relationship in a number of ways. First, a number of authors have traced the ownership/nationality issue with reference to US branch plants in Britain (Cressey, 1985; McLoughlin & Gourlay, 1994; Gunnigle, 1995), while others have considered the impact of 'Japanisation' among British workers

which is shown to influence key dimensions in the relationship, particularly management style and consequently HR strategy (White & Trevor, 1983; Wilkinson & Ackers, 1995; Stephenson, 1996).

Particular influences are related to the prevailing ideology and styles of management, which originate in the country of origin. Thus through managerial style, the dimension of HR strategy can vary between a reactive (minimalist) to a proactive (maximalist) strategic approach, often influenced by the company's corporate HQ (Cressey, 1985; Gunnigle, 1995). A similar rationale is evident with respect to Japanese customs and practices in influencing HR strategy (White & Trevor, 1983; Broad, 1994; Stephenson, 1996). For example, practices such as *Kaizen* can be seen as a proactive, non-unionised managerial strategy. Stephenson (1996:233-235) also shows that such practices have actually 'upstaged' previous union functions and in so doing legitimised the absence of unionisation concomitant to managerial aims.

Second, the particular approach pursued by individual owners can be seen to influence other manager styles and organisational strategies. Legge (1995:58) comments on the Harvey-Jones style of open, joint consultative management at ICI, suggesting that the regulatory mechanisms are less unilateral because of dominant actor beliefs. Similarly, Quaker-type employers often value employees as an organisational asset, rather than adopting the commodity market approach prevailing at Fords (Whitaker, 1986). In addition, evidence from the SME literature (Goss, 1988; Scott *et al*, 1989) would suggest that other ownership features are relevant. On the one hand, close relations within a flexible social setting imply a greater degree of informality as a dimension that explains the relationship. On the other hand, such informality also provides the ingredients for conflicts to ferment over time, suggesting that a degree of 'them and us' between the parties is also likely to exist (Rainnie, 1989). It is also well

documented that most SME organisations pursue a minimalist HR strategic approach, often typified as ‘what the owner believes is good for ‘the business’ is assumed to be good for employees’ (Roberts *et al*, 1992:242).

The fourth rationale for nationality/ownership to be viewed as a potential independent influence is from survey data. Millward *et al* (1992) report that companies which are non-UK owned, tend to adopt a more proactive HR strategy. For example, there is a greater incidence of personnel specialists, devolved managerial systems and advanced technology in determining the extent of regulation (joint or otherwise) and formality, which all correlate with distinct (non-UK)ownership patterns (Millward *et al*, 1992:33).

Operationally, ownership and nationality warrant both a perceptual and objective methodological approach. Observable data can include the organisation’s country of origin and head office, while perceptual data requires a consideration of whether distinct nation-specific influences shape actor behaviour in each organisation studied.

SIZE OF ORGANISATION

Many studies of employment relations treat size of organisation as a variable factor, and there are a number of ways in which size can influence the dimensions of the relationship. One immediate problem, however, is that size can be assessed in several different ways, for example by the number of employees; company assets; turnover; sales; tax returns; market share or ownership properties (Curran, 1990; Storey, 1993; Holliday, 1995). For this investigation, size is taken to be the number of employees, which is important for a number of reasons.

First, in both sociological and psychological terms, the number of employees within an organisation is likely to influence the degree of interaction between the parties, which can be tremendously important in the absence of trade unions. Larger organisations have been linked to more militant workforce attachment (Dubin, 1973), bureaucratic regulation (Durkhiem, 1933; Ingham, 1970; Silverman, 1970) as well as sophisticated HR strategies (Peach, 1983; Tse, 1985; Turnbull & Wass, 1996). In modifying the employment relationship, management have the added concern that in larger organisations it is more difficult to satisfy employee needs, wants and cost-benefit expectations as size increases.

A second important consideration is that, as noted in chapter one, non-union companies are likely to vary in size, yet previous literature has a tendency to adopt an 'either/or' approach. That is to say, non-union firms are either large atypical employers (such as M&S and IBM) offering sophisticated human relations approaches to avoid unionisation, or located within the SME sector symbolic of the 'bleak-house/sweatshop' organisation which suppress unionism. This conceptual distinction was discussed and viewed as too simplistic, and the need to account for differences in size as a variable influence is required.

Third is the related issue of what size of organisation to study? As a general rule of thumb, Brown *et al* (1978) show that in organisations with over 500 employees, the relationship (and unionisation) becomes more detached and structured. However, where 500 was a minimal size for Brown *et al* in 1978, a similar size criterion in the 1990s is probably around 200. According to WIRS3, the mean size for all establishments was 102 employees (Millward *et al*, 1992:22-23). In the non-union context, McLoughlin & Gourlay's (1994: 46-47)

survey of establishments produced a mean size of 378 employees [1]. In the same authors follow-up case studies, company size varied from 240, 400 to 2200 respectively (p68-9). Size is therefore an observable measure and the definition adopted for this investigation is the number of workers employed in each organisation.

GROUP 3: PERSONNEL FACTORS

MANAGEMENT STYLE

Management style refers to a 'preferred way of doing something' (Rollinson, 1993; Legge, 1995). While both Fox (1966, 1974) and Purcell (1987, 1989) differ on some aspects of style, both acknowledge that managerial style is closely associated with actor behaviour, thus it is likely to be one of the more important influences on the relationship, particularly with regard to HR strategy (Purcell, 1987; Purcell & Ahlstrand, 1993; McLoughlin & Gourlay, 1994).

In chapter two it was suggested that style can be operationalised through personnel policies in each organisation (Purcell, 1987, 1989; Marchington & Parker, 1990; McLoughlin & Gourlay, 1994). One confusion is that similar operational indicators are also used to define HR strategy, although as Tyson (1995) comments, style is very different from strategy. The latter is often conceptualised from Chandler's (1962) definition; a long-term phenomenon, proactive, and related to the whole organisation in the context of particular circumstances (Wood & Kelly, 1982; Marchington & Parker, 1990). As such, policies can be used as a set of 'guidelines' which can influence both (Tyson, 1995).

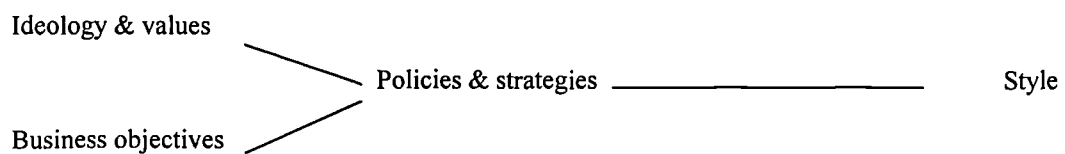
¹ This is taken from McLoughlin & Gourlay's data in table 3.3, p46-47, by calculating the mean size for 23 non-union firms. The smallest size was 90 employees and largest 1000.

The dilemma between style and strategy was addressed by Storey (1985, 1986), suggesting that very existence of strategy is questionable. Instead, Storey finds that British managers have ‘exaggerated their actions’ as strategies which are often ‘short-term, self-interested and inchoate’ (1986:49-52). Consequently, academic debates have centred on whether style influences HR strategy, or the latter influences managerial style. Rollinson (1993:98) offers a diagrammatic description of the prevailing debate.

Figure 3.1: Implications of Management Style on HR Strategy



(a) Fox's implications: Rollinson, 1993:98.



(b) Purcell's implications: Rollinson, 1993:98.

Notwithstanding the complexities of such a debate, it is important to note that ‘style, policies and strategy’ are likely to be very similar concepts. Marchington & Parker (1990) suggest that management may actually be aware of their ‘inaction’, which does not mean it is non-strategic. Indeed, it has also been suggested that style and strategies can be both separate and entwined, often depending on particular circumstances and wider ideological values articulated by the state (Tyson, 1997; Torrington & Hall, 1998).

Both conceptually and empirically, therefore, managerial style is far from simplistic. From a labour process perspective, managerial styles of controlling labour have been linked to different phases of capitalist development

(Braverman, 1974; Edwards, 1979; Burawoy, 1979, 1985), suggesting that external factors are likely to influence style itself. Friedman (1977) implies that management have a choice in allowing the freedom of 'employee responsibility' or exercising 'direct control' over workers' tasks. The former style would view employees as a resource, possibly indicating high-trust and a more proactive HR strategy as a dimension of the relationship. In contrast, direct control symbolises coercive approaches to modify the relationship which can be found in Goss' (1991) style category of 'Sweating' for small firms [2]. This would view employees as a disposable factor of production, and thereby imply more unilateral methods of regulation with a greater degree of discreteness as a dimension of the relationship.

The concept of *individualism* and *collectivism* has been used as a general proxy to indicate a particular managerial preference (Purcell, 1987; Bacon & Storey, 1993; McLoughlin & Gourlay, 1994; Purcell & Ahlstrand, 1994). Purcell (1987: 536-37) defines *individualism* as 'the extent to which management give credence to the individual's feelings and encourage the employee's capacity and role for work'. This may imply a more proactive HR strategy allied to high-trust emanating from style. In contrast, *collectivism* is not so much the existence of trade unions, but rather the 'extent to which management recognise the right of employees to have a say in decisions that affect them'. Thus style may also impact on other independent influences yet to be discussed, namely non-union voice mechanisms. Empirically, voice and collective styles have been shown to influence regulation (Brown & Rea, 1995) as one of the dimensions of the employment relationship.

² This management style (sweating) has since been merged by others and re-labelled 'autocracy' (see Scase, 1995).

For both Bacon & Storey (1993) and McLoughlin & Gourlay (1994) it is not that individualism and collectivism are mutually exclusive, but rather both exist simultaneously within an organisation. The key is the ‘*balance*’ or ‘*blend*’ between the two elements of individualism and collectivism which can distinguish style. It is also important to note that style is likely to affect behaviour. A pragmatic appreciation of the issues particular to each organisation are also likely to distinguish style and strategy as the major influence (Rollinson, 1993).

In the context of non-union relations, McLoughlin & Gourlay make some important links between style and the five dimensions of the relationship, using the orthogonal indicators of ‘collectivism-individualism’ and the ‘integration’ of policies (see table 3.1). The latter framework is adopted in this investigation, although with some modification arising from the discussion above.

Moreover, the existence of a policy does not in itself indicate a particular style. Policies have been shown to differ substantially from the practices used, which can impact on the degrees of formality and informality through ‘custom and practice’ (Brown, 1972; Terry, 1977; Delbridge & Lowe, 1997). Therefore, it is equally important to capture both the ‘scope’ of policies and well as their ‘depth’, and the latter would warrant a consideration of the social relations between actors at workplace level. The four style categories used here are adopted from McLoughlin & Gourlay’s review of the concept, as follows:

1. *STRATEGIC HRM* is characterised by a high integration of policies and high collectivisation of the relationship. This style would point to greater formality in modifying the relationship. Unionisation may exist for some sections of the workforce, and as such collective structures influence the way management regulate the relationship.

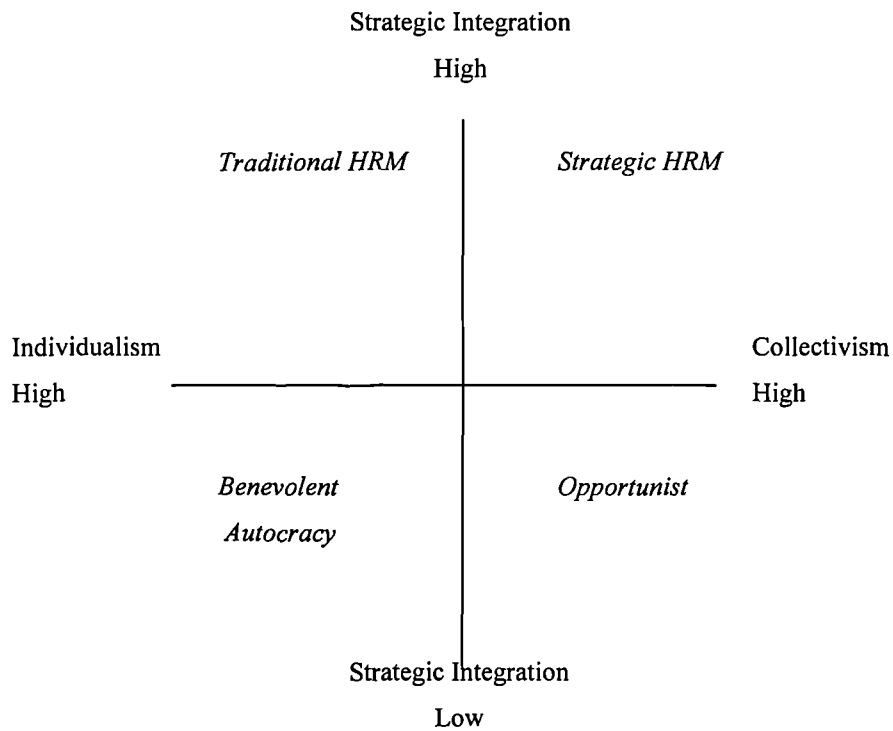
2. *TRADITIONAL HRM* is reminiscent of a union 'avoidance' approach. A close individual identity among employees is fostered toward the competitive standing of the enterprise. This style may be linked to a more unilateral regulatory approach and a proactive HR strategy to stress the irrelevance of unionisation. Such styles have also been shown to mark 'them and us' attitudes between the parties (Bacon, 1997).

3. *BENEVOLENT AUTOCRACY* is determined by close, friendly and informal contact between employees and managers, drawn from the SME literature (Goss, 1988). Accordingly, this style is likely to influence the dimension of informality as a way of explaining the relationship. Another indicator of benevolent autocracy can be that employees are less dependent upon employers because of their skills and location within the labour process. Low integrated policies and high individualisation is one evident feature (McLoughlin & Gourlay, 1994).

4. *OPPORTUNISTIC* styles differ from benevolent autocracy in that the principle reason in regulating employment is cost, implying that this style will influence the HR strategy along the minimalist (reactive) continuum. It is possible such firms are union de-recognises, and elements of a collective structure remain high. Intuitively, a greater degree of low trust and discreteness may characterise such a relationship.

These styles of management are shown in figure 3.2 together with the main operational indicators in table 3.1.

Figure 3.2: Management Style (McLoughlin & Gourlay’s non-union adaptation)



<p>Traditional HRM <i>Employees are viewed as central to achieving the objectives of the enterprise, influencing a proactive HR strategy buttressed by individualisation of the relationship. Managers point to irrelevance of unions, with low demand for unionisation among employees.</i></p>	<p>Benevolent Autocracy <i>Originates from SME research (Goss, 1988). Employee skill means a degree of labour-market independence from employer, which can influence regulation and formality. Managerial preferences are characterised by high individualisation to foster close links amongst employees, influencing trust.</i></p>
<p>Strategic HRM <i>Trade union recognition may exist for some sections of the workforce. High collective methods of regulation apply to some extent, but also mixed with individualisation of the relationship to exclude union demands.</i></p>	<p>Opportunists <i>There is fragmentation of policies and practices which lack formalisation. Management approaches are minimalist with little employee development. Unlike benevolent autocracy, there is a degree of collective regulation. Unions may have been derecognised, but collective structures remain in place. Them & us attitudes prevail</i></p>

Source: McLoughlin & Gourlay(1994:48-60).

Table 3.1: McLoughlin & Gourlay's Indicators of Management Style

<i>Individualism and Collectivism</i>	<i>Strategic Integration</i>
Initial positions on dimension determined by presence/absence [and practices] ^a of the following:	Initial positions determined by the presence/absence [and depth] ^a of the following:
<ul style="list-style-type: none"> • Profit-sharing for all categories of employee (manual, white-collar, professional) • Share-ownership schemes for all employees • Job-evaluation schemes for manual and/or white collar employees • PBR schemes for manual employees • Quality circles • Briefing groups • Joint consultative committee • Market-leader pay policy • Single-status terms and conditions • Annual pay review for all employees • Individual pay reviews • Performance-related pay • Appraisal used to determine pay • Recognised unions 	<ul style="list-style-type: none"> • Formal procedures for discipline and dismissal • Formal grievance procedures • Formal pay policy • Formal health and safety policy • Formal communication/consultation policy • Personnel specialist on site • Personnel specialist with professional qualifications • Personnel director on company board • Nature and extent of personnel specialist involvement in technical change • Written employment philosophy or 'mission' statement given to employees • Training policy

Source: McLoughlin & Gourlay, 1994:166

a: The terms **practices** and **depth** are added to broaden McLoughlin & Gourlay's framework beyond the scope (i.e. presence/absence) of such indicators

For this investigation, management style is addressed at two levels, broadly similar to those used by McLoughlin & Gourlay (1994), as follows:

1. The 'scope' of management style is defined as the 'presence or absence' of those indicators identified in table 3.1;
2. The 'depth' of management style is the extent to which such indicators in table 3.1 are actively practised at workplace level.

Operationally, therefore, the first requires a consideration of documentary evidence, while the latter is much more perceptual, and concerned with practices and actor interactions at workplace level.

EMPLOYEE VOICE

Employee voice is probably influenced by style, particularly whether there is a collective orientation, and the causal symmetry between style, policies and voice is likely to be cyclical. However, for operational reasons, employee voice is examined separately as a potential source of influence on the dimensions of relationship, in particular the impact from voice utility.

The relevance of employee voice differs according to a number of schools of thought. The first is the 'Harvard School' (Freeman & Medoff, 1979; Hirsch & Addison, 1986), which contains *inter alia* the economic argument, that companies can enhance employee productivity as well as less measurable outcomes such as employee satisfaction and commitment by allowing workers to articulate their concerns collectively. This suggests that employee voice can affect at least two dimensions of the relationship. One is regulation where management take cognisance of employee concerns, and the other is HR strategy by pursuing a more proactive approach to the management of workers.

A second view of the importance of voice is more ethically determined; that 'working people have a fundamental right to participate in the making of decisions that crucially affect their interests' (Adam, 1995; Towers, 1996, 1997). This ethical or moral view warrants a perceptual consideration of voice (i.e. its utility), in that how employees articulate their needs and wants will arguably affect their behaviour. This has been shown to affect trust (Purcell, 1987; Fox, 1974, 1985).

A third rationale for examining voice is the more recent discussion about employee involvement and participation programmes (Millward *et al*, 1992; Marchington *et al*, 1994). Millward *et al* (1992:175-6) show that there has been an increase in voice and communication methods, typically with a greater

reliance on managerial unilateralism as the most frequent way to articulate both company and employee views.

For Marchington *et al* (1994), involvement programmes take on a variety of forms; just-in-time production which carries with it employee decision-making capabilities; upward, downward and team-based communications; new working methods; staff surveys; company newsletters; task and financial involvement. Empirically, these have been linked to key dimensions which can explain the relationship (trust, regulation and HR strategy) as well as other potential influences (style, voice, policies, and attitudinal orientations). Indeed, Kelly & Kelly (1991) make a more quantitative link between involvement schemes, such as quality circles or financial involvement, to that of trust and attitudinal 'them and us' as dimensions to characterise the relationship.

More explicit evidence is provided by Foulkes (1980:287-293) in the non-union setting. Mechanisms such as in-house company counselling, staff committees and feedback meetings emphasise the importance of employee voice in remaining union-free. Paradoxically, for union avoidance to be sustainable, there is a need to expend time, effort and resource on voice channels; or what Flood & Toner (1997) suggest is the catch-22 face of non-unionism. This dilemma for management was evident in Broad's (1994) analysis at a Japanese organisation, as management used the company council to remain union-free. However, when workers perceived this mechanism to be a tool exclusively for managerial and not employee concerns, workers eventually identified more with the T&GWU than the company committee - although management eventually recognised the (then) EETPU owing to managerial perceptions of its moderate face of unionism.

The rationale is that voice utility has the potential to be shaped by other independent influences, such as style, as well as influencing the dimensions of the relationship; namely, trust, discreteness and HR strategy. For this investigation, therefore, voice is as much about its utility as the observable mechanisms that exist, and to evaluate these, two criteria are adopted:

1. The first is the range of non-union voice mechanisms that exist, as broadly discussed above and shown in table 3.1.
2. The second is the utility of voice, as evidence of employee (dis)satisfaction with the processes.

GROUP 4: ACTOR FACTORS

This group of factors is concerned with attitudes, workforce characteristics and person-specific characteristics of both management and employees, which can influence approaches to making and modifying the relationship. The empirical rationale for each is discussed in turn.

ACTOR ATTITUDES

The attitudes of those who experience the relationship can be regarded as the kernel to actor factors, and these are located within a framework of perceptions, tastes and judgements. Empirically, attitudes have been shown to guide action in relation to the experiences encountered (Katz, 1960; Silverman, 1970), and there is also a distinction between 'taste' and 'judgement' in attitude formation. The former is what an individual may desire and, as such, prompt behaviour to achieve desired goals. In contrast, 'judgements' are assumptions made by an individual about what they know of an object or phenomenon.

This raises an important consideration about *relative* and *absolute* attitudes (Child, 1970), which is central to a social exchange perspective (Homans, 1961; Blau, 1964). With regard to the dimensions of the employment relationship, employees can display an overall positive attitude to management (or trade unions) which can provide an indication of them and us (i.e. discreteness). However, it is important to try and establish the magnitude of positive or negative attitudes by assessing taste and judgement as components of attitude formation. Intuitively, workers may have a positive judgement about trade unions. However, this is not the same as a desired taste. In other words, worker attitudes toward trade unions in non-union firms may well be positive on a general (i.e. judgmental) scale, but their desire for a unionised relationship may be less (or more) evident.

Empirically, Baldamus (1961) offers an analysis of attitudinal beliefs in wider society, which are expressed as similar beliefs (i.e. judgements) articulated within the workplace. Further, Dubin (1973) shows that an individual's attachments to work and/or the company are attitude-related. For instance, the perception that management limit employee voice can lead to a more militant attachment to trade unions. Kelly (1997) also suggests that the *perception* of a grievance or illegitimacy among workers can prompt social and collective identity, thereby implying an influence on 'them and us' perceptions as a dimension within the relationship.

Burawoy (1979) seeks to account for what are essentially inherent contradictions and complexities within the relationship. The concept of ideology, style and tastes are used as the 'cement of social interaction'. Burawoy (1979) locates the judgements actors place on their experiences within the exploitative context of capitalism, referring to actor 'games' which place a strong emphasis on occupational solidarity to avoid the degradation of work:

“the rewards of making out are .. reduction in fatigue, passing time, relieving boredom...that emerge from the labour process - the social and psychological rewards of making out on a tough job”.

(Burawoy, 1979:86-86)

Gouldner (1955) provides a vivid account of workers' indulgency patterns through the lens of attitudinal 'leniency'. Here, management accepted that workers occupied certain "roles" within the organisation; allowing time-off occasionally and the use of company tools outside of work. These roles secured management a degree of compliance in order to modify the relationship. More importantly, Gouldner (1955:20-24) illustrates how variation in roles and attitudes - a new manager with a different set of values and beliefs - affected the relationship. The greater use of managerial authority, coercive regulation set in train a "vicious circle of behaviour". Workers were less co-operative and displayed low-trust which eventually culminated in the "wildcat strike".

A further consideration of actor attitudes, and one concomitant with social exchange theory, is that cost-benefit expectations and obligations are likely to change during the course of the relationship. As such, attitude formation can be readjusted by actors to the tastes and judgements arising from their experiences of work and the social milieu (Silverman, 1970; Brown, 1973).

Moreover, attitudinal considerations are another important source of influence which can prompt action and behaviour in explaining the dynamic characteristics of the employment relationship in non-union firms. Attitudes are located in relation to specific objects; such as management, trade union, the nature of work itself, the organisation, and even occupational classification (discussed below). As these involve considering a dynamic process, it is also probable that attitudes will change both over time within a single organisation, and between organisations depending on circumstances.

OCCUPATION

Occupational diversity is one important way to understand and account for actor behaviour and its variation in explaining the employment relationship. Routh (1980) shows that occupation is linked to other independent variables such as age, gender and pay (discussed below) which can be collected from observable indicators.

Arguably, one of the seminal works to consider occupation is that of Goldthorpe *et al* (1968), who point out that occupation ought to be viewed in relation to the role experiences of actors involved (p183). The Goldthorpe/Lockwood *et al* thesis suggests that differences between occupational classes are important variables in themselves which can influence action. In addition, the historical diffusion among occupational bands (even in the same organisation) can influence other characteristics of the relationship. For example, in assessing clerical work a division of labour between “employer,...book-keeper-clerk .. and ... ordinary clerk” suggest a greater emphasis on ‘personal relations’ (p20) and thereby informal interaction as a source of influence.

More important is that occupational diffusion can affect key dimensions of the relationship in different ways. For instance higher skill, knowledge or location within the labour process can generate a degree of power among occupational groups. Similar analysis has been traced to the emergence of an ‘oligarchical elite’ in unionised organisations (Michels, 1915; Beynon, 1973; Hyman, 1979; Lane; 1982), influencing a more joint regulatory approach allied to bureaucratic formality. In the non-union context, McKinlay & Taylor (1996) recognise the importance of occupational identity which promoted a collective response to unilateral decision making:

“The most extreme reaction came on the line which halted work completely ... workers congregated in small groups and, when asked, told anxious plant managers they were considering production issues ... PhoneCo employees created a variety of methods to subvert innovatory HRM practices protecting the integrity of the team concept from *external* - managerial - intrusions”

(McKinlay & Taylor, 1996:294-298).

Empirically, therefore, forms of occupational identity can suggest a range of differing responses to the dimensions of the relationship. Workers with a degree of relative power, either because of skill, knowledge or position within the labour process may view the relationship in different terms. Accounting for such differences is a central objective of obtaining valid generalisations.

BIOGRAPHIC:

Biographic details, such as age, gender, wages, length of service and education have been shown to be important variables in studying employment relations (Blum, 1971; Savage & Witz, 1992; Guest *et al*, 1996; Guest & Conway, 1997) and these are briefly discussed in what follows.

EDUCATION: In ‘peering into the black hole’, Guest & Conway (1997:14) suggest that actor perceptions of fairness and trust were linked to educational attainment (and age). There is also evidence to suggest that education is linked to less collective forms of regulation (Blum, 1971), with a preference for an individual orientation which may help maintain a non-union environment.

GENDER/RACE are more problematic areas of enquiry, especially in relation to non-union relationships (McLoughlin & Gourlay, 1992; Hartley, 1992; Guest & Conway, 1997). However, on wider scale, other studies have found a relationship between employment and gender/race (Savage & Witz, 1992; Wrench & Virdee, 1996; Rubery *et al*, 1998).

Furthermore, recent analysis would suggest a degree of 'indirect' discrimination on the grounds of gender, analysed in relation to the impact of neo-liberal market forces. In particular, the (previous) government has consistently resisted European legalisation to strengthen rights for part-time workers, many of whom are women. To this end, the relevance of gender/race is regarded as a factor worthy of investigation across non-union organisations, even though rationalised on indirect if not direct empirical evidence.

SALARY: With regard to salary, evidence from Brown & Nolan (1988) suggests that worker perceptions are likely to vary according to their remuneration:

“cash incentives work best when employees are, by the nature of their tasks, hard to supervise, not organised in trade unions and lacking in continuity of either career expectations or workmates”

(Brown & Nolan, 1988:351).

More directly related to the non-union issue, organisations characterised by sophisticated human relations, such as IBM and M&S, are seen to pay 'above average' wages to avoid unionisation (Foulkes, 1980; Cressey, 1985; Dickson *et al*, 1988). One implication is a focused, proactive HR strategy with the aim of eliciting high trust within the relationship.

Furthermore, paying above average remuneration may prompt workers to eschew a collective identity and maintain an individual, non-unionised relationship (Foulkes, 1980). However, potential outcomes such as high-trust and employee commitment within such organisations has more recently been questioned (Turnbull & Wass, 1996, 1998). In the M&S model, employees were not disposed toward a high-trust commitment regime but rather they were dependent on the organisation, which indicated a degree of 'them and us' attitude as a way to explain the relationship.

FORMER UNION EXPERIENCE: This is an added biographic factor included for this investigation. The rationale is derived from the potential influence of former experiences brought into a relationship. For example, Argyle (1972) shows a significant difference on actor orientations to work because of religious belief. Protestant workers were absent less if their tasks were more complex than was the case for Catholic workers. One implication is that the latter group had a stronger perception of 'them and us' as a central dimension of the employment relationship. On a different topic, Darlington (1994) suggests that shop stewards can influence union member responses in a more combative mode arising from political affiliation outside the workplace.

While this study is not concerned with religious or political affiliation, the point is that former experience derived outside (even before) the relationship can have an impact on actor attitudes and ultimately action. One example is at Monarch Airlines (Engineering Division), where management conceded a staff council because of the request from workers in this division who had former union experiences with previous employers (IDS, 1994).

For this investigation, the objective is to recognise that attitudinal influences can vary with a combination of biographic factors, and these offer the potential to understand in greater depth the employment relationship in each organisation studied.

GROUP 5: CLIMATIC FACTORS

The final group of factors that can influence the characteristics of the relationship is that of climate. The importance of climate is that while factors such as government policy, for example, can affect the relationship and actor behaviour (Poole & Mansfield, 1993), it is also likely that such influences are translated through climate.

One problem, however, is that the antecedents of climate are extremely ambiguous, and further complicated when contrasted with culture (Ray, 1986; Denison, 1996; Rollinson *et al*, 1998). On the one hand both climate and culture are often synonymous - seen as set of 'traditions, habits and patterns of relationships' within work (Molander & Winterton, 1994:3) or, more simply, the 'way things are done around here' (Deal & Kennedy, 1992:4). Hofstede (1984:21) defined culture as "the collective programming of the mind which distinguishes the members of one human group from another".

On the other hand, societal values can be imported into an organisation through globalisation and trans-nationalism. In studies of American and Japanese plants in Britain (Cressey, 1985, 1986; Gunnigle, 1995; Trevor & White, 1983), for example, national customs and cultures have been viewed as particularly important with regard to key dimensions within the relationship, particularly HR strategy and managerial styles (Wilkinson & Ackers, 1995).

In the anthropological tradition, culture is regarded as something an organisation 'is', rather than something it 'has' which can be manipulated as a variable factor (Legge, 1995). Ideals of 'corporate culture' also imply a 'unitary basis' to the relationship; that certain values, usually those articulated by management, are shared by all members of the organisation (Smirich, 1983; Watson, 1994; Legge, 1995). There is also the view that climate and culture are tapping a similar phenomenon (Denison, 1996; Rollinson *et al*, 1998), although from different methodological perspectives.

In contrast to culture, Koys & DeCotiis (1991) define climate as an 'experienced-based, multi-dimensional perceptual phenomenon' which has the capacity to influence modes of behaviour - an atmosphere or set of feelings

experienced by those party to the relationship (Rollinson *et al*, 1998). It has also been noted that climates differ and can be reflected through differing organisational structures, technologies, staff development programmes and in the distribution of power (Molander & Winterton, 1994:3). This suggests that climate can shape both action and attitudes in a more reciprocal way. It would also imply that climate, rather than culture, is a more short-lived dynamic phenomenon.

Nicholson (1979) suggests that an employee relations climate is more than likely to be one of a number of sub-climates within an organisation, and is best viewed as an 'intervening' phenomenon between structures and systems on the one hand, and behaviour on the other. To this end, climate rather than culture is viewed as more appropriate for this investigation. Empirically, climatic influences on the relationship can be described in a number of ways.

First is the debate between Taylorism and Human Relations as a source of influence on the dimensions of relationship. A Taylorised production method would indicate a climate reminiscent of wage-effort; potentially low-trust accompanied by them and us attitudes. In contrast, the Hawthorne experiments sought to change a combination of economic and social conditions, suggesting intrinsic as well as extrinsic climate variables (Rose, 1988) which could influence regulatory approaches, formality and HR strategy. In short, the principle mode of regulation itself can generate a particular climate to which actors respond.

A second, and related consideration, is that climate has been shown to influence (and emanate from) managerial styles and strategies (Foulkes, 1980; Purcell, 1979; 1989). One implication is that the environmental atmosphere (or climate) is a manifestation of managerial ideologies, which in turn can influence HR

strategy along a proactive or reactive approach. Thus a particular managerial style may promote a climate of subordination, compliance or even fear within the relationship (Roy, 1980). One non-union example is the style of management articulated by Billot (1993, 1996) at Co-Steel Sheerness, in which workers are *coerced to comply* which is often couched in the language of commitment (Leahy, 1996). This can be seen to impact upon trust as well as both attitudinal and behavioural 'them and us' as key dimensions of the relationship (Bacon, 1997).

Third is the need to operationalise the concept of an atmosphere or climate. Despite the highly perceptual and unquantifiable nature of climate, there have been a number of attempts to define it in employee relations. Purcell (1979) uses the orthogonal indicators of trust and formalisation. While these are defined as key dimensions of the relationship itself, additional evidence would suggest that climate is derived from a combination of factors both central and external to the relationship (Kelly & Nicholson, 1980). In discussing climate in relation to strike processes, Kelly & Nicholson (1980) suggest that managerial ideologies, actor perceptions of conflict and the economic environment will be mutually reinforcing indicators of climate.

Perhaps more useful for this investigation is the twin-dimensional approach offered by Nicholson (1979). The first indicator is termed 'issue-centred climate', which expresses the type of problems and degree of satisfaction with problem-handling in the organisation. The second is termed 'inter-personal climate', and expresses the pattern of interaction and the satisfaction of the parties with their opposite number. In this view, key actors (more specifically, their interactions) can influence climate.

For this investigation the general principles of Nicholson's (1979) climatic framework is adopted. However, some modification is required to account for a union absence. To do this, 'issue-centred climate' taps how the parties perceive problem-handling within each employing organisation, which involves considering employee experiences of how management deal with issues. For 'inter-personal climate', whether an alternative to union-management interaction exists to handle problems will be examined and the parties' (dis)satisfactions assessed. Drawing on the SME literature (Goss, 1988; Rainnie, 1989; Scott *et al*, 1989; Roberts *et al*, 1992), such inter-personal relations are likely to generate a more informal, personal and face-to-face relationship.

This investigation is therefore concerned with climate in two related ways:

1. ISSUE-CENTRED CLIMATE: This includes the types of issues and problems dealt with by management and the extent of employee (dis)satisfaction with how such problems are handled.
2. INTER-PERSONAL CLIMATE: This includes the pattern of employee-supervisory interaction for the purposes of communicating issues and the extent of employee (dis)satisfaction with friendly/personal relations.

COMMENT ON INTERRELATIONSHIP OF FACTORS

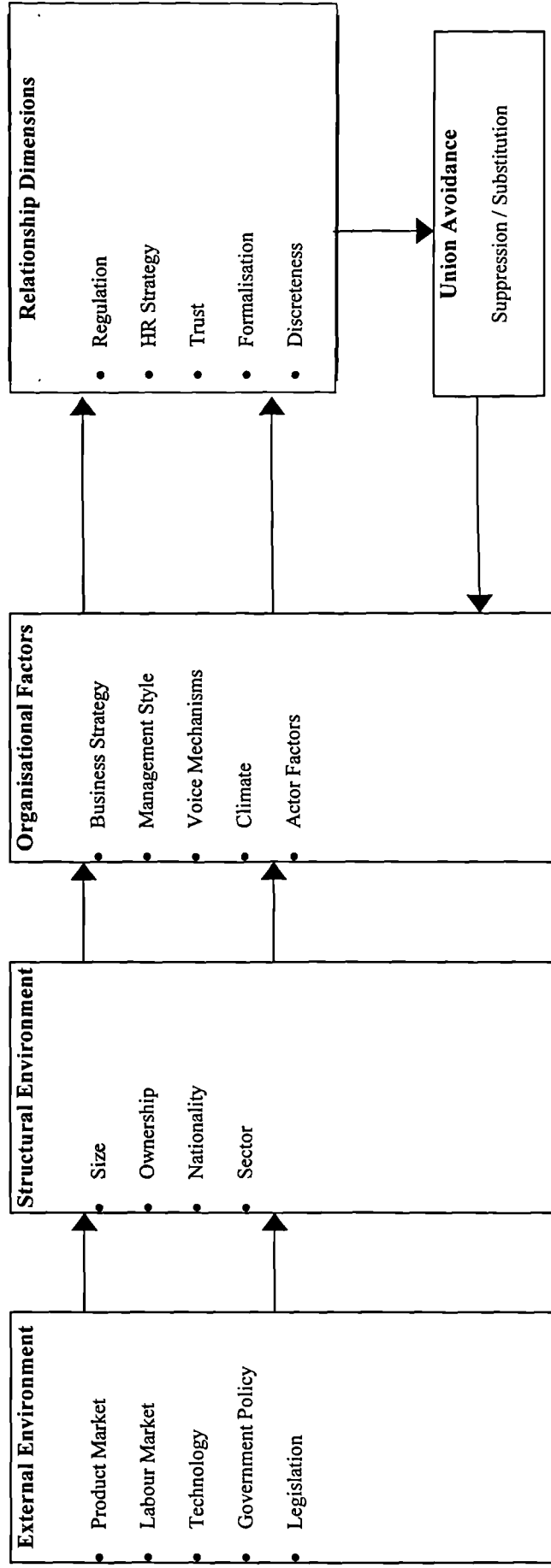
For the purpose of empirical investigation, the factors and dimensions in both this and the preceding chapter have been discussed separately. This is not to suggest that each factor is a totally independent variable. In reality, the reverse is probably true, and many factors are likely to be interrelated.

In chapter one the central research aim was outlined; namely, in the absence of a trade union to explain what the relationship *is* and in what ways does this influence how, and to what extent, the relationship is made and modified. Chapter two then identified a number of dimensions along which to position each organisation in seeking to describe that relationship. A continuum of possible typologies was outlined, ranging from 'exploitative' to a more 'partnership' orientated relationship.

In this chapter, groups of factors are identified as potential influences on the dimensions of relationship. In reality, however, these are likely to both overlap and be multi-dimensional. In other words, the groups of factors cannot be treated as totally discrete. Government policy is likely to affect and be affected by market competition for instance. Management style, HR strategy and voice utility are probably cyclical variables which influence one another. Finally, while climate is presented here as an intervening variable, it is also probable that some factors influence the relationship directly as well as indirectly through climate.

The complexity of what has been presented has therefore been simplified for the purpose of empirical investigation. As a simplified conceptual model, the dimensions of the relationship and patterns of potential influences are presented in figure 3.3. One objective of this thesis is to explore and explain some of these complex interactions. In other words, to put both qualitative and to some extent quantitative flesh on the conceptual bones.

Figure 3.3 Conceptual Model of Factors Affecting the Employment Relationship



CHAPTER FOUR

RESEARCH METHODS

INTRODUCTION

This chapter has two purposes. The first is to set out the methodological approaches for the study. The second is to explain why a particular approach has been adopted. The chapter commences with a consideration of available research methodologies appropriate to this investigation and notes the advantages and limitations of different methods. Drawing on information presented in chapters two and three, the data specification needed to address the research questions is outlined, the instruments that were used are described and an explanation of the data collection methods is given. A pilot investigation is then described, which is reported fully in chapter five. Finally, a description of fieldwork is given followed by an overview of the data analysis techniques used.

RESEARCH METHODOLOGIES

GENERAL CONSIDERATIONS

At the end of chapter one, three central research aims were identified, all of which focus on explaining the nature of the employment relationship in non-union firms and the factors that could account for differences. In chapters two and three, it was emphasised that the way employment relationships are made and modified needs to be considered as a social process. In the union situation, the process of modification can be explained to a large extent by collective bargaining and consultation (Clegg, 1979). However, where bargaining is absent, there is a need to identify key characteristics and influences that explain what the relationship *is*, and why certain influences are more significant than others. This general perspective requires an appreciation of both ‘objective’ and ‘subjective’ data.

In considering available research methods, a combination of competing approaches could have been adopted for this investigation. Some authors

discuss the differences in terms of quantitative and qualitative research; others debate the extremes of rationalistic and naturalistic forms of inquiry; views on positivism, reductionism and relativism have been debated. Ethnomethodology, anthropology and phenomenology are other perspectives that have a relevance to employment relations (Glaser & Strauss, 1967; Popper, 1969, 1974; Silverman, 1970; Bryman, 1988; Lincon & Guba, 1985). However, each of these positions tends to have their own limitations as well as advantages (Cook & Selltitz, 1964; Chalmers, 1982; Hakim, 1994).

At the risk of oversimplification, these competing methodological approaches can be classified along a continuum, the two extremes of which are the 'classical approach' and 'grounded theory'. The classical approach has its roots in natural science, and the advantages here include a detailed review of all possible variables and factors prior to empirical investigation, together with the rigour of deductive reasoning to develop theory and hypotheses for testing. However, the approach has limitations. There is a potential to miss emergent data, which only becomes evident once fieldwork has begun (Gouldner, 1955). Moreover, it can be difficult to capture the complexity of social interaction with this approach (Silverman, 1970), particularly where deeper analysis is required to explain the processes associated with employment relations (Glaser & Strauss, 1967; Buroway, 1979; Brown & Wright, 1994).

With the 'grounded theory' approach, the antecedents of which are found within the anthropological tradition, data is regarded as exploratory and fieldwork has the prime objective of capturing and interpreting issues encountered. The main advantage here is that the potential richness of data avoids the limitations of the classical approach. Nevertheless, the use of this approach has waned in employment relations research in recent years (Brown & Wright, 1994; Kelly, 1998). The main disadvantage is that prior empirical work can be ignored and

theory is often developed after fieldwork. This carries an attendant risk that the operational focus will miss potentially important data because there is an over-emphasis on observing events.

This investigation does not ideally lend itself to either of these pure approaches. Conceptually, the research is complementary to different strands of competing methods. For instance, in chapter one, prior literature was used to illustrate the need for further empirical inquiry into non-union employment relations. Similarly, in chapters two and three, empirical work established a conceptual understanding of the features likely to explain the relationship and the processes that are likely to be important in seeking further explanations. However, there is no hypothesis or null-proposition to be tested. Evidence is drawn from a narrow range of cases and data collection instruments are designed to allow the flexibility of rich, deep and complex factors to emerge from what are essentially dynamic processes within and between different social settings. In this way, the importance of organisational-specific contexts are understood (Marchington *et al*, 1994; Guest & Hoque, 1994; Guest & Peccei, 1994). In summarising this methodological style, Silverman (1970) refers to the underlying methods as a 'social action':

“The Action approach can most usefully be seen as a method of analysis ... It offers a frame of reference from which can be derived a series of related questions about the nature of social life in any organisation. Only empirical studies can provide answers to these questions ...[it] is an attempt to come to grips with the meanings of the situation to those involved in it”

(Silverman, 1970:222-24)

Overall, empirical evidence is gathered and analysed within a framework that is iterative. This requires a consideration of the general case study approach and its limitations and advantages over other possible methods.

CASE STUDY CONSIDERATIONS

Although the use of case study research has waned in recent years, its advantages in explaining social and dynamic processes has witnessed renewed interest as a way to extract rich data (Darlington, 1994; Scott, 1994). Yin (1993) suggests that case studies are not methods, but an underlying strategy. As such they lend themselves to a multiple indicator method commensurate with a social research framework. Observation is also desirable when case studies are used, which can range from detailed participant observation, such as Buroway's (1979) involvement on an assembly line, to less intrusive and opportunistic forms of observation as the occasions arise during periods of fieldwork (Hartley, 1994).

Case studies are often underpinned by interviews, which range from closed to semi-structured or completely unstructured events at workplace level, as adopted by Edwards & Scullion (1982), and more recently Darlington (1994) and Scott (1994). Questionnaire methods have also been a highly valued way of obtaining data during case study fieldwork. These bridge the gaps between qualitative and quantitative methods and facilitate the management of a mass of information (Yin, 1993; Hartley, 1994).

However, there is an important limitation of the case study approach. It has a potential inability to generalise given the lack of breadth of evidence. In response to this, Scott (1994) suggests that case studies mean something rather different than, for example, social surveys:

“Case studies are not about indicating how common a particular phenomenon is, but rather about helping one to understand situations ... this means using the evidence of behaviour in particular enterprises to shed light upon issues which are common to a wide range of business organisations”

(Scott, 1994:30)

To this end, the key objective of case study analysis is its relevance for building and testing theory (Eisenhardt, 1989; Yin, 1993). The theory itself can be grounded as well as emergent (Glaser & Strauss, 1968), and some particular theoretical implications may not even become evident until the research is conducted. Hartley (1994) further comments:

“Case study researchers, in their pursuit of delicate and intricate interactions and processes occurring within organizations, will use a combination of methods, partly because complex phenomena may be best approached through several methods, and partly to triangulate and thereby improve validity. A case study ... emphasis [is] on understanding processes alongside organizational contexts”

(Hartley (1994:209-10)

Given these considerations, firms studied were approached and viewed as case studies requiring the analysis of complex social issues concerning the research aims stated at the end of chapter one. The specification and data methods for these are explained next.

DATA SPECIFICATION METHODS

GENERAL CONSIDERATIONS

As a way of seeking validity and generalisation is the process of triangulation (Denzin, 1970; Jick, 1979). To address this the specification criteria for data involves a multiple indicator approach, combining surveys, interviews, documentary analysis and, where appropriate, rudimentary observation.

In the preceding chapters, information was discussed which is likely to address the research questions posed at the end of chapter one. Some of this information naturally lends itself to a particular data collection method. For example, an indication of HR strategy can be reflected through company policies and decision-making processes in each firm, which are best obtained from document searches and management experiences. However, perceptual and attitudinal data

is often complex, and this requires more than one method. For example, employee attitudes to trade unions, management and the company dictate the use a large scale survey allied to deeper understandings from semi-structured interviews. In what follows, several principal collection instruments are described in outline and given in full in appendix one (parts 1 - 6):

- i. *POSTAL SURVEY*: This was part of an exploratory pilot exercise prior to in-depth case study analysis and sought background information about non-union employee relations generally (appendix one, part 1).
- ii. *THE COMPANY QUESTIONNAIRE*: This was a single, yet detailed questionnaire completed by the senior manager for each company and sought factual information about the organisation (appendix one, part 2).
- iii. *THE COMPANY INTERVIEW*: Complementary to ii above, the same senior manager who completed the company questionnaire was interviewed. This sought to obtain perceptual information and detailed experiences of managing in the absence of unions (appendix one, part 3).
- iv. *DOCUMENT REVIEW*: A range of policies, rules and company documentation was reviewed and subject to content analysis, which gave an added depth to the data.
- v. *RUDIMENTARY OBSERVATION*: During visits to each firm, a rudimentary form of observation was possible. This involved direct, non-participant observation of both the work processes and interaction between the parties.
- vi. *THE EMPLOYEE QUESTIONNAIRE*: This was used to cover a large sample of employees in each organisation and focused on perceptual, factual and biographic data (appendix one, part 4).
- vii. *THE EMPLOYEE INTERVIEW*: This was adopted as a method to explore employee experiences of the employment relationship and possible influences thereon. A semi-structured interview method was used and added a further degree of depth to the data and its analysis (appendix one, part 5).

In addition to the above, the data specification and sampling considerations are outlined for completeness and given in appendix one, part 6.

DIMENSIONS OF THE EMPLOYMENT RELATIONSHIP

The first dimension was that of *REGULATION*, which was deemed to be capable of ranging between a unilateral approach by management and a joint system involving employees and management. The data required to establish the approaches used to regulate the employment relationship in each organisation needed to be obtained from a variety of sources. Factual information was collected from responses in the company questionnaire, which was completed by the senior manager in each organisation, and from a review of company documentation. In addition, it was considered important to obtain perceptual data from actors involved. Thus employee views about potential managerial edict (or not) was collected from a workforce survey. Complete confidentiality was assured given the sensitive nature of some information sought.

The second dimension was outlined as *HR STRATEGY* which expresses the extent to which employees are viewed as either a strategic asset to achieve organisational goals, or simply a disposable factor of production. At one level this is about both 'vertical and horizontal integration'. Factual information was specified as necessary and sought from management about senior personnel/board level decision-making functions. This was collected through the company questionnaire, with the added information about the quality of personnel-related processes across each organisation. Documentary material was also specified as appropriate for this information and a review of mission/vision statements undertaken. A second facet of this dimension is the depth of HR Strategy. Here the material that was specified as necessary concerned the experiences of key actors who have a capability to influence HR-related decisions within the higher echelons of each organisation, and data for

this purpose was more appropriately collected from semi-structured interviews.

The third dimension, *TRUST*, is both a central feature of the employment relationship and an important element within the social exchange perspective. The sensitivity of some of the information required dictated the use of semi-structured interview methods which were complementary to questionnaire data from both management and employees. The underlying aim here was to establish the extent to which either party trusts its counterpart to fulfil cost-benefit expectations, or seek to maximise its benefits at the others expense. Information was also gathered about perceptions of empowerment, subordination and task freedom which may (or not) infer a degree of institutionalised trust (Fox, 1974; 1985).

The fourth dimension sought to explain the degree of *FORMALISATION* within the relationship. One important consideration here is that the typical non-union firm is more likely to be characterised as a small-to-medium sized enterprise. As such personal ties as well as employment relations can obscure the relationship (Scott, *et al* 1989; Roberts *et al*, 1993). Owing to this possibility, data was sought on the range of formal rules and collected through the company questionnaire and internal documentation. In addition, subjective data about informal practices was gathered at workplace level. For this the interview method was specified as the most appropriate. Furthermore, rudimentary observation was also used where the opportunities presented themselves in each organisation.

The final dimension, *DISCRETENESS*, consisted of an exploration of 'them and us' attitudes as a feature of the relationship. Data was considered necessary in relation to both 'out' and 'in-group' identity from employees, and the approach was revisited following a pilot investigation (see below). The nature of this data

required the use of a large and representative sample of respondents, and the workforce survey was used. Evidence was subjected to statistical testing to check for construct validity.

Taken together, the use of a multiple indicator approach allowed information to be gathered which was grounded and specified. Equally, there was the flexibility to allow information to emerge from the stages of fieldwork to capture respondent interpretations of the relationship that they experienced. The data described above addressed research aims one and two, that is, a description of what the relationship *is* within a framework that allowed non-union organisations to be compared and contrasted. The third research aim at the end of chapter one seeks to account for the differences, and this is achieved by exploring the potential range of independent influences on the relationship and the specifications for data needed to obtain this information.

FACTORS INFLUENCING THE EMPLOYMENT RELATIONSHIP

For simplicity the range of potential influences have been grouped under five discrete areas and, as explained in chapter three, in reality it is likely that there will be interrelationships between them.

EXTERNAL ENVIRONMENT

Information on the external environment was sought to document a range of possible influences which were external to the organisations. The general importance of *GOVERNMENT POLICY* and *LEGISLATION* has been established in chapter three from a review of prior empirical and theoretical work. However, the information required was not concerned with legislation *per se* but how and why management approach the relationship because it perceives that this produces either an advantage or hindrance. As such, the information contained a subjective interpretation on the part of management and was specified at two

levels. The first was descriptive data collected through the company questionnaire about responses to these areas over the last 18 years. The second contained a more detailed analysis of respondent experiences, and the use of a semi-structured interview was considered more appropriate to capture the richness of information and motives for a non-union relationship.

Next, information was collected about *TECHNOLOGY*, specified both as a requirement for operational efficiency and also as an instrument of control over the labour process (Child, 1972; Thompson, 1983). Factual data was first collected to assess the nature of technical operations and range of technical occupations. This was obtained from the company questionnaire. The specification of technology as a managerial control device required perceptual data and questionnaires and semi-structured interviews were used.

A final consideration is *MARKET* influence. This required the collection of data at two levels. The first is in relation to the competitive pressures faced by each firm with respect to its product/service. A review of the trading performance of each organisation was deemed appropriate for this, and documentary material was accessed. In addition, the company questionnaire sought perceptual data from management about the degree of competition as an influence on the relationship. This was asked with regard to the ease of entry for other companies into the same market.

The second level sought information about labour market influences. Each senior managerial respondent was asked about the ease and/or difficulty in recruiting and retaining suitable employees. This data was collected to identify potential groups of employees who could have a degree of (latent) power to influence the relationship in a certain way. The company questionnaire and interview were utilised for this purpose.

STRUCTURAL ENVIRONMENT

Two fundamental influences are specified in relation to structural factors. It is important to note that while these factors are located within the organisational context, their impact may not necessarily be obvious in the immediate work milieu and may arise from elsewhere in the company.

The *OWNERSHIP* and *NATIONALITY* of each firm was specified as an important variable that could vary between a single owner-manager, typified by a small business and that of a large multi-national organisation. At one level, factual information was collected from a review of company documentation and the company questionnaire. At a second level, data was specified as perceptual. Information was obtained concerning the extent to which ownership, whether foreign or UK-owned, had a bearing on the employment relationship. Thus the particular style of an owner-manager may be especially important in an SME, whereas the values articulated by a corporate HQ, which can also be foreign to the host establishment, can be important in a multi-national organisation.

SIZE of organisation is one factor often controlled for in studies of employment relations. However given the diversity of non-union firms and the task of seeking a broad coverage of non-union relationships, it was considered important that small and large organisations should form part of the data set for this investigation. Information about the size of each organisation is defined as the 'number of employees' and consists of factual data, collected through the company questionnaire.

PERSONNEL FACTORS

Personnel factors concern management style and employee voice as a matter of policy and practice. Data on *MANAGEMENT STYLE* was collected at two levels.

The first was descriptive and factual-type information on the 'scope' of policies. This level of data would specify a collective or individualistic style in the absence of a union and the data specification considerations reviewed a number of general proxies, as identified in chapter three.

However, these proxies for style were regarded as partial and therefore it was specified that a second level of information should be obtained. The aim of this was to add a deeper understanding of managerial style. Thus in addition to the potential 'scope' of style in each organisation, it was decided to assess the 'depth' of style. At the first level, documentary material was suitable for this purpose and was subjected to content analysis. At the second and more deeper level, there was a need to obtain emergent and grounded issues. For this both interviews and observation were used to explore differences between policy and 'custom and practice'. The categorisation of style according to the McLoughlin & Gourlay (1994) scheme was adopted, namely: Traditional HRM; Strategic HRM; Benevolent Autocracy; and Opportunistic.

The data specification for non-union *VOICE* mechanisms sought to capture the relevance to union avoidance, either through suppression and/or substitution. Thus at one level data was specified as factual-type information about the potential range of employee voice channels which could head-off employee demands for unionisation. These could range from the so-called sophisticated human relations approaches, to those that occur owing to the close proximity of owner-managers. For this a multiple collection method, which involved a review of documentation, the company questionnaire and interview data were used. However, it was considered equally important to obtain perceptual evidence. This was specified as 'voice utility', which adds a deeper meaning as a source of influence on the relationship. Data was collected from employees, and the workforce survey was specified as the most appropriate way to capture as large

a sample population as possible. Complementary collection methods were semi-structured interviews with employees, as well as rudimentary observation concerning voice (dis)satisfaction.

ACTOR FACTORS

The central factor in this group is the attitudes of employees and in this investigation there were several considerations. The foremost was the question of what attitudes needed to be explored. As noted in chapter three, actor attitudes involve 'tastes' and 'judgements' with respect to an attitude 'object'. In terms of the latter, those attitude objects that were considered to be most relevant so far as employment relations are concerned are: trade unions, management, the company and work itself.

The second consideration was the data collection method and instruments to be used to capture and measure attitudes. To obtain results in which there could be some confidence, the respondent sample needed to be large and representative of the population in each organisation. In addition, to enable comparisons to be made between different organisations required a standard and comparable framework to be applied. This dictated the use of a self-completed questionnaire that could be incorporated into the workforce survey.

The third consideration was the measurement framework for attitudes. Here it was decided to use a multiple-item Likert-type scale (Oppenheim, 1992; Bryman & Crammer, 1994), in which respondents were presented with a combination of object-related statements, to which they could either agree or disagree on a seven-point scale. This enabled the overall scale to reflect the elements of taste and judgement in relation to the object. The scoring framework was standardised as follows:

- 1 = Definitely Agree
- 2 = Agree
- 3 = Marginally Agree
- 4 = Not Sure/No Opinion
- 5 = Marginally Disagree
- 6 = Disagree
- 7 = Definitely Disagree

Having adopted this framework, a further consideration was the structure of the questionnaire and in particular, the sequencing of questions (Converse & Presser, 1988; Bryman & Crammer, 1994). This needs to follow an order that is clear and logical to the respondent. As such, questions which follow a logical sequence in the research design may not necessarily constitute a logical flow for the respondent. Attention was therefore given to the structure of the data collection instruments, so that these made sense to the respondent as far as possible (Robson, 1994). This raised a related issue of phraseology.

Phraseology is important for a number of reasons. One is to aid understanding between what the researcher asks and what the respondent believes is being asked. A second consideration in phraseology is validity and reliability. That is, clear and uncomplicated questions have a tendency to replicate evidence under similar circumstances (Robson, 1994). Third is that phraseology can help minimise 'agreement bias'. For this investigation, both positive and negative worded questions were consciously used. As such, all negatively phrased responses were re-coded, which ensured consistency in that multiple indicators of an attitude (taste and judgement) were measured in the same direction.

More qualitative interview data was also required to complement the quantitative data. The aim here was to capture the depth and richness of experiences articulated by actors, and in one organisation (Water Co), employee attitudes toward trade unions could only be gauged by interview. This was because after the company had agreed to participate in the research,

management insisted that twelve questions be deleted from the questionnaire. These were all related to trade unions, and reduced the sample of employee attitudes in this company. However, there were opportunities to collect this information from interviews and the action by the management revealed a great deal about their attitudes to trade unions - a point that will be elaborated in chapter eight on Water Co.

OCCUPATION and *BIOGRAPHIC* data was also requested. These represent a set of factual items that allow for further explorations and differences among respondents and were administered through the same workforce survey.

CLIMATIC FACTORS

Climate was explained in conceptual terms in chapter three. It was noted that the antecedents of climate can be extremely ambiguous and that there are associated difficulties in seeking to capture what is essentially an 'atmosphere' felt by people. In considering climate several issues emerged. The first of these was whether climate is something distinct from organisational culture. For operational reasons in this investigation, climate was viewed as a short-term phenomenon which has the potential to influence action and behaviour. In practice therefore, climate can be a dimension of the relationship as well as an influence on the relationship. However, for pragmatic purposes, climate was treated as a potential influencing factor between dimensions of the relationship and other independent factors.

The second consideration was how to analyse climate. Evidence shows that measures of climate taken from one party in the relationship tend to mirror those of the other party (Nicholson, 1979; Kelly & Nicholson, 1980). Thus for reasons of sensitivity, the collection of climatic data was largely obtained from employees using questionnaires, interviews and observation.

The third consideration is what measures to use? Following Nicholson (1979), a two-dimensional framework was adopted. The first is relatively factual, and deals with the opportunity for employees to present issues to management. Thus the data focused on mechanisms which may (or may not) exist in the relationship. Of greater importance, however, is subjective data which seeks employee views about the extent of (dis)satisfaction; first with how management handle issues raised and secondly the importance of friendly ties as a climatic feature. This data was collected in three ways, each using a different method: questionnaire responses, interviews with employees and finally observation at each workplace. Since climate tends to be a short-lived phenomenon, the latter method is important because of the salience of issues that arose during the investigation and were considered to be vital clues to the climate in the organisation.

Climate was evaluated along two related dimensions; *ISSUE-CENTRED* climate, which reflects mechanisms that can be used by employees to raise a concern and the (dis)satisfaction with management's handling of such concerns. *INTERPERSONAL* climate was used to capture the importance of friendly ties as sources of influence and similarly involves objective and subjective interpretations by employees.

SUMMARY - DATA SPECIFICATION AND COLLECTION

The data specification and collection instruments for both the dimensions of the relationship itself and potential influences thereon were used to establish a grounding prior to fieldwork. In recognition of potentially important emergent issues, the design was made flexible enough to capture elements of diversity and richness in each organisation. Summary descriptions of data specification, collection instruments and sources of information are provided in appendix one (part 6).

PILOT AND PRELIMINARY INVESTIGATION

Unfortunately, opportunities for detailed piloting to test the measurement scales for questionnaire data were not available. The reason for this centred on the controversial nature of the subject, which prompted managements in other organisations to decline from co-operating in any form of pilot study. Nonetheless, related prior empirical measurement instruments were utilised (Mowday *et al*, 1979; Oppenheim, 1992) and an element of exploratory piloting was conducted in two ways: a postal survey and a preliminary interview exercise which strengthened the overall approach.

Prior to in-depth case study analysis, a postal survey about employment relations in non-union firms was conducted (appendix one, part 1). This was undertaken for a number of reasons. The first was primarily exploratory, that is, to tease out some of the issues associated with non-union relations. Some revision was subsequently made in the research design following this exercise, and this is explained below.

The second aim was to locate a group of non-union organisations, which avoided 'household-names', such as IBM or M&S. (A profile description of all postal survey respondents is given in appendix one, part 7). As part of the research strategy, it was decided to seek a broad spectrum of organisations which were perhaps more typical of the non-union firm than the IBM or M&S studies suggest. However, for completeness and sampling, it was also decided to obtain at least one organisation which fitted the so-called sophisticated human relations approach reminiscent of the 'M&S way' (Tse, 1985; Sieff, 1990). What emerged from the postal survey, however, is that none of the companies which fitted this 'M&S way' was willing to participate. Consequently, additional searches were made and, as is explained below, Delivery Co fitted this general requirement.

The postal survey was general in nature regarding employment relations, and data was collected from the senior personnel or site manager at each targeted company. In chapter three it was noted that mean organisational size is likely to be around 200 employees (Millward *et al*, 1992; McLoughlin & Gourlay, 1994), and so it was decided to exclude firms with fewer than 100 workers. Organisations that were immediately known to the author to be unionised or in the public sector were also excluded from the search criteria.

Those companies surveyed were selected from the ONESOURCE database (previously known as LOTUS). This contains information on over 125,000 quoted and un-quoted companies by *Standard Industrial Classification (SIC)*. The information covers a 10 year period and gives details on matters such as financial accounts, service or manufacturing sector, management structure, known subsidiary companies and size by number of employees.

The reasons for using ONESOURCE is that an earlier examination of organisations listed by EXSTAT produced a number of inconsistencies. The EXSTAT database was relatively atypical of labour force figures. For example, larger firms were disproportionately over-represented in the data; 45% had over 1000 employees whereas only 6% of firms employed less than 50 workers. Compared to national labour force trends, for which these figures are 13% and 40% respectively, the EXSTAT sample was considered to be unrepresentative. Firms were therefore selected from ONESOURCE given the greater representative coverage in terms of the size, sector and regional distribution.

In total, the survey questionnaire was sent to 200 companies between July and September 1995. Sampling was structured to ensure an even distribution across manufacturing and service sector companies, regional parity and size of organisation. A total of 56 responses were received, of which 12 declined to

complete the questionnaire because certain information asked for was regarded as 'commercially confidential', while a further 6 were only partially complete and therefore unusable. The usable response rate was low at 19% (38 completed and usable questionnaires), and the results are given in chapter five.

While research of this type is useful to obtain information which is less costly to collect than using detailed interviews, it is also important to note that the method was acknowledged to have limitations. First, it does little more than 'scratch the surface' of employment relations within non-union organisations. Second, the low response rates often encountered using postal surveys means that the information offers little more than provisional indicators. Finally, there is always a potential for managerial bias, given the absence of information from employees.

In addressing the postal survey limitations, five pilot interviews were arranged with strategically-placed informants who could comment in more detail on non-union relations. These were conducted at same time as the postal survey. The aims were essentially exploratory, that is, to obtain information about employment relations in non-union organisations prior to in-depth case study analysis.

These pilot interviews also provided the opportunity to add a qualitative aspect to the provisional research design and information was gathered in an open-ended way, to explore the five dimensions of the employment relationship as well as emergent themes. Interviews were arranged with three personnel managers from non-union firms, complemented by interviews with two union officials. Of the latter, one had experience of union de-recognition and the other experience of seeking to organise and recruit employees in a non-union organisation.

Since union and managerial interviewees were counterparts, a background to these informants is required. One was a union officer for the National Union of Civil and Public Servants (NUCPS) [1], while the managerial counterpart interviewed was the Human Resources Director for Manchester Training and Enterprise Council (M-TEC) who had declined NUCPS recognition. The second union respondent was an officer for the Iron and Steel Trades Confederation (ISTC), whose managerial counterpart interviewed was the Personnel Director for Co-Steel Sheerness. This company de-recognised both the ISTC and AEU in 1992. The fifth pilot interview was conducted with the Personnel Director for BP (Hull) where union de-recognition had occurred in 1993. Unfortunately, no union officer (from the T&G) was available to participate. The findings of these preliminary interviews are reported in chapter five.

An immediate point to note is that the distinction between ‘attitudinal and behavioural them and us’, the summation of which is labelled discreteness, was prompted by these pilot investigations. As discussed in chapter two, while ‘them and us’ attitudes have an empirical rationale, additional subtleties emerged from the piloting exercise which prompted a re-visit of the conceptual definition. The main point that emerged is that while employees are capable of supporting out-group values (i.e. management), this might be because there is an absence of an alternative collective voice. In short, it was discovered in the pilot interviews that some employees may have little choice but to ‘put up and shut up’, and these early results are reported in chapter five.

¹ NUCPS has since merged with the Inland Revenue Staff Federation (IRSF) to form the Public Tax and Commerce Union (PTC).

SELECTION OF SUITABLE ORGANISATIONS FOR FIELDWORK AND IN-DEPTH INVESTIGATION

In selecting companies which are deemed 'suitable', a researcher is often dependent on the combination of accident, fortune and guesswork. It has also been suggested that an understanding of the relationship, particularly at company level, can never be fully obtained until the research has itself commenced (Gouldner, 1955). With this in mind, the overall research design explained above was intended to be flexible enough to accommodate revisions and modifications during the course of events.

It should also be noted that the selection of companies was problematic, largely owing to the controversial nature of the research topic. At best, management were suspicious and at worst unco-operative. Eventually, four organisations [2] were selected as suitable for investigation and these were studied sequentially, in the following order:

Water Co
Chem Co
Merchant Co
Delivery Co

With the exception of Delivery Co, all organisations had previously participated in the postal survey, which meant that some important data had already been collected. Participation in the postal survey also made follow-up contact less of a 'cold-calling' exercise, as each company would have had some familiarity with the name of the author and Huddersfield University from completing the postal questionnaire a few months earlier. Delivery Co was selected later because of difficulty in gaining access to a company which resembled what some authors describe as the 'M&S way' (Tse, 1985; Sieff, 1990).

² One condition of access was that each company required anonymity, which was guaranteed. Names are therefore artificial with regard to case study firms.

The general selection criterion of suitable companies for in-depth investigation was that each should display some indication of *dissimilarity* across several broad indicators. This information was available from the postal survey data, and the broad areas of dissimilarity included:

1. Potential differences in the HR strategy.
2. Indications of the degree of regulation and formalisation in each company through differences in communication and employee involvement schemes.
3. Differences in ownership, nationality, age, size by number of employees and sector distribution.
4. A preliminary estimate of differences in management style, as per the Purcell/McLoughlin & Gourlay categorisation.

As a first step, companies which showed signs of dissimilarity were then contacted. Letters explaining the research were addressed to the most senior/personnel manager. The second stage involved preliminary meetings with management to explain the research and method of investigation. In all companies, more than one meeting was necessary, and detailed discussions took place on the range of questions which were 'acceptable' to management in the employee survey.

When agreement was reached, the third stage was to discuss the logistics of data collection; interview schedules, site visits, methods for distributing and returning questionnaires and access to documentation.

The final stage was data collection itself. In each company studied, four principal collection methods were adopted. These included company documentation, questionnaires, interviews and observation.

For Chem Co and Delivery Co., all employee questionnaires were returned direct to the researcher at the University in pre-paid envelopes by individual respondents. At Merchant Co employees completed and sealed their questionnaires in the pre-paid envelopes and these were then posted all together by the personnel manager after an agreed completion date. At Water Co, questionnaires were collected by the author during different site visits. Individual employees still used the pre-paid envelopes for confidentiality, and placed the questionnaires in boxes provided.

Regarding observation, a detailed ethnographic approach was not used. The main reason was the time, resources and effort involved. Another reason was managerial restrictions; in particular, the author was prohibited from participating in work activities in all companies. Notwithstanding these limitations, opportunities for observation were available, although on a more restricted basis than would otherwise have been desirable.

All employee interviews were conducted either at the same time questionnaires were distributed, or shortly afterwards. Individual interview times varied enormously; the longest being 1½ hours, the shortest 15 minutes. On average, employee interviews typically lasted between 30 and 45 minutes. At Merchant and Chem Co, management selected respondents based on who was available at the time. At both Delivery and Water Co the author was free to speak to any employee. As such, the more serious limitations applied at Merchant and Chem Co. However, occasional and opportunistic conversation with staff during site visits, coupled with rudimentary observation lessened the potential for management to select atypical respondents. Employees were selected by the author to cover a broad range of occupational categories.

It was found necessary to re-visit the sequencing of interview questions during the first stages of fieldwork. After the first few interviews at Water Co., it became clear that most employees displayed a somewhat neutral response when issues of trade unionism were mentioned. This pointed to two possibilities. The first is that employees in non-union firms could be ambivalent about unions - neither anti nor pro union. Although this was at a very early stage in the fieldwork, there was little evidence to confirm this view. The second, and possibly more obvious implication, is that employees were either wary of the author, or they felt that the questions about trade unionism were possibly threatening in the non-union context. The second of these two possibilities appeared the more likely and consistent with other indicators about management at Water Co, not least their decision to delete union-related questions from the employee questionnaire.

Consequently, in order to establish a more trusting rapport with respondents, it was decided to introduce questions about unions later in the interview schedule. As such, questions relating to unions were moved down the agenda, from roughly question 8 to question 14 in the interview schedule. This appeared to be an important move. While employees did not suddenly display pro-union sentiments or an overwhelming secret desire to be union members, they seemed to be more comfortable talking to a stranger about trade unions and responses became more lengthy. Indeed, some employees began to criticise unions for a variety of reasons, while others indicated a preference. The point is that by revisiting the collection instruments, data emerged which was much richer in terms of analysis, and to some extent collection and analysis were mutually reinforcing.

Interviews with senior managers were much longer and conducted before employee interviews, mainly as and when initial discussion stages had been

finalised. The longest managerial interview lasted for 5 hours, and the shortest 2 hours. In addition to these semi-structured interviews, discussions with the senior manager took place as the research was in progress along more informal and *ad hoc* lines. In this respect, the interviewing process was a cumulative method of data collection.

The fieldwork stage was at times sporadic as access was simultaneously under negotiation in other organisations. Overall, the case study fieldwork was conducted between February 1996 and July 1997, which followed the pilot surveys and its analysis conducted between March and September 1995.

DATA ANALYSIS: AN OVERVIEW

The analysis of data can be explained in several ways. First, fieldwork notes were made from observations and written-up soon after. These proved valuable prompts during subsequent visits, and strengthened the links between collection and analysis (Jones, 1985). Second, interview transcripts were also written-up immediately, and in line with Yin's (1989) recommendation, these were constantly read and re-read numerous times to obtain as deep an understanding as possible. Interviews were tape-recorded and analysed in conjunction with typed transcripts to recap the 'flavour' of comments not available in written text.

Third, documentary evidence was subject to content analysis (Forster, 1994). Coding categories within documents were identified in relation to both grounded and emergent themes. The use of qualitative tabling helped analyse data in this respect and examples are given in table 4.1a of appendix two. Fourth, questionnaire data was coded and analysed using SPSS. There was no hypothesis testing and statistical analysis involved a combination of techniques. Basic descriptive and frequency statistics were obtained to gain an overview of

the data followed by a number of tests to explore differences and relationships within and between variables. Factor analysis was carried out on attitudinal data and a separate report of this process, together with combined results, is given in appendix three.

The analysis was also conducted in a systematic and rigorous manner. A series of issues and themes were analysed for each organisation, both during and after data collection. However with only four organisations, elaborate statistical analysis was precluded. When data collection and analysis was complete in all organisations, a provisional form of collective analysis was conducted on all companies simultaneously. Following this, each organisation was measured in relation to the five dimensions of the employment relationship. Descriptive results are presented in chapter seven and the measuring framework is given in appendix two.

In addition, the task of identifying and accounting for patterns of independent influences involved detailed analysis on each company separately. This was assessed and analysed several times, and the results are presented in each case study chapter.

Finally, comparisons were drawn between organisations to offer some general inferences about non-union relations. The results and conclusions for these are given in the final two chapters. Overall, these analytical methods were used to examine the patterns and processes that could influence the employment relationship in absence of a trade union which seek to advance both the subject and theory.

CHAPTER FIVE

PILOT RESULTS

INTRODUCTION

This chapter reports the findings of two related pilot exercises which were briefly mentioned in the previous chapter. The first was a postal survey of non-unionised firms, which was undertaken to explore issues and themes in the non-union employment situation. The second exercise involved interviews with five key informants. The results given in this chapter are essentially descriptive and it is noted that while survey research has its uses, so far as the aims of this study are concerned, the richer data obtainable from subsequent case studies is needed to address the research questions given in chapter one.

PILOT SURVEY SAMPLE

The postal survey questionnaire can be found in appendix one (part 1), and a profile of all respondent companies is in appendix one (part 7). The usable response rate was 19%, that is 38 completed and usable questionnaires out of 200 companies approached. Of these:

- 47% (18) firms recognised trade unions for all employees.
- 5% (2) recognised a trade union for manual employees, while an in-house staff association had representation rights for white collar workers.
- another 7% (3) recognised an in-house staff association for all employees.
- 40% (15) neither recognised a trade union nor an in-house staff association.

These respondents were considered as the prime target group, from which to select suitable organisations for subsequent in-depth case study analysis.

Table 5.1 shows the response rate in relation to sector distribution. It is worth noting that despite a low response rate, the distribution between manufacturing and service sector organisations is maintained at 50% respectively.

Table 5.1: Union and Non-unionism by sectoral distribution (N=38)

	Service Sector		Manufacturing Sector		Totals	
	%	N	%	N	%	N
Union-recognised Firms:	18.5	7	29	11	47	18
Union & Staff Association recognised Firms	2.6	1	2.6	1	5	2
Staff Association recognised Firms	7.9	3	0	0	8	3
Non-Union & Non-Staff Association Recognised Firms	21	8	18.4	7	40	15
Totals	50	19	50	19	100	38

The data also indicates that the manufacturing sector dominates in terms of union recognition at 29%, compared to the 18.5% for unionised service sector firms. One corollary might be to expect non-unionism to be found predominantly among service sector respondents. While services make-up the majority of totally non-unionised respondents (21%), manufacturing is not too far behind at 18.4%. Thus the association of non-unionism and services is not entirely consistent.

What is perhaps more significant is that 40% of organisations had no employee intermediary (i.e. no trade union or staff association). This is highly compatible with figures revealed in WIRS3, in which 36% of the sample had no union presence (Millward *et al*, 1992, p68) and in the latest WERS results, in which 47% of workplaces had no union presence (Cully *et al*, 1998:14) However, while these workplace surveys report findings relevant to the private sector, unfortunately there is no evidence in terms of sector distribution. What is revealed is a distinction between manual and non-manual employees. In 1990 the distribution between manual and non-manual workers with nil union density was reported as 42% and 49% respectively (Millward, 1992: 61).

Table 5.2 shows a similar manual and non-manual distinction. For non-unionised companies the manual to non-manual employee ratio is 13.6% and 12.2% respectively. The unionised ratio is 37.6% and 13.3% respectively. Of the 47,600 workers covered in this pilot survey, 26% had no intermediary representation with their employer and 20% were covered by an in-house staff association. This left 51% of all workers unionised. Thus although smaller, the sample here is in line with other studies which gives some reassurance to the sample distribution.

Table 5.2: Distribution of Union and Non-Union Establishments by the number of manual and non-manual employees

	Manual Employees		Non-Manual Employees		All Employees	
	%	<i>N</i> (000)	%	<i>N</i> (000)	%	<i>N</i> (000)
Union-recognised Firms:	37.6	17.9	13.3	6.3	51	24.2
Union & Staff Association Recognised Firms	2.6	1.25	0.75	0.35	3	1.6
Staff Association Recognised Firms	0.6	0.3	19.3	9.2	20	9.5
Non-Union & Non-Staff Association Firms	13.6	6.5	12.2	5.8	26	12.3
Totals	54.4	25.9	45.6	21.7	100	47.6

However, further qualifications must be noted. The non-manual figure (45.6%) is somewhat disproportionately high given the inclusion of 8000 employees from just one respondent - a major high street building society that also recognised an in-house staff association rather than a trade union.

Furthermore, the average size for union-recognised organisations in the survey is 1300 employees, while for non-unionised establishments the mean size is 800. If the largest non-union employer (3400 workers) is excluded, the mean size would be reduced to 560 employees. This latter figure is more consistent with other evidence that suggests the typical non-union organisation is likely to

be found among small-to-medium sized enterprises (Beaumont & Rennie, 1986; Beaumont & Harris, 1989; IRS, 1998; Winters, 1999).

STRUCTURAL ORGANISATION OF NON-UNION COMPANIES

While almost 40% of the companies surveyed reported that they were union-free, what remains unexplained is some of the more micro-orientated issues about the factors which could influence the relationship - for instance ownership, management structure and personnel arrangements which may be evident with non-union status.

The question of ownership has been raised by a number of authors (Dickson *et al*, 1988; Cressey, 1985; Millward, 1992; McLoughlin & Gourlay, 1994; Gunnigle, 1995). In this survey respondents were asked about ownership and/or their parent company in relation to the country of origin. Table 5.3 is a summary of ownership and non-unionism.

Table 5.3: Ownership of Non-Union Companies by Sector (N=15).

Manufacturing %		Services %		All Firms			
<i>British</i>	<i>Foreign</i>	<i>British</i>	<i>Foreign</i>	<i>British</i>		<i>Foreign</i>	
				<i>N</i>	<i>%</i>	<i>N</i>	<i>%</i>
34	13	40	13	11	74	4	26

Of the 15 non-union establishments, the majority were British-owned. Of the four non-union firms that are non-UK owned (26%), one is a Canadian-owned steel manufacturer and two service sector companies are American-owned. The remaining manufacturing firm is part of a French and Singapore consortium. Overall, non-union status in the sample is tilted toward British (74%) rather than foreign (26%) ownership.

With the exception of one manufacturing organisation, all foreign-owned firms have never received a request for trade union recognition. The one exception

being the Canadian-owned steel manufacturer, Co-Steel Sheerness, which de-recognised both the ISTC and AEU in 1992. Those who had been requested to recognise a trade union and refused were all British-owned.

The picture that emerges from the postal survey is that non-union firms are predominately British-owned SMEs, relatively evenly split by manual and non-manual employee composition and, interestingly, unlikely to experience a recruitment drive or recognition request from a trade union. This suggests that not only is non-unionism a growing phenomenon, but that trade unions themselves have either failed or misdirected their recruitment strategies during a period of membership decline.

MANAGEMENT STYLE IN THE NON-UNION FIRM

The issue of management style within non-union organisations was addressed through a number of items in the postal survey questionnaire. It was anticipated that there would inevitably be some reluctance on the part of management to answer questions on this issue, which raises the matter of potential bias in answers.

One way to address this concern was to review a number of similar approaches in order to establish a suitable theoretical framework, as discussed in chapter three (Fox, 1966; Purcell & Sisson, 1983; Purcell, 1987; Sisson, 1989; Marchington & Parker, 1990; McLoughlin & Gourlay, 1994). Also discussed in chapter three were the categories adopted by McLoughlin & Gourlay (1994), and one particular limitation was noted, that the latter authors concentrate more on the 'scope' rather than the 'depth' of key indicators. In many respects this is one of the shortcomings of survey data. However, in addition to using Purcell's (1987) distinction between collectivism and individualism, the categories devised by Gunnigle (1995) were adopted at this stage. These included whether

management have a propensity or willingness to participate in an Employer Association which could be another form of corporate collective identity. A second issue addressed was to examine the extent to which management claimed to treat employees in a collective manner, for example, by adopting harmonised/equalised terms and conditions and non-union employee involvement mechanisms. These broad proxy indicators were used to classify respondents according to the McLoughlin & Gourlay's style classification, namely: '*Traditional HRM, Strategic HRM, Benevolent Autocracy, and Opportunistic*'.

Table 5.4 outlines the results obtained, where a tick indicates the presence of an attribute.

It is important to note that these indicators are used to capture the broad proxies of management style as part of a multiple-indicator approach. For example, in addition to the existence of a personnel department or senior manager on the company's board, additional questions probed respondents for further information, such as other responsibilities of the personnel manager and the size of the personnel department where relevant. Thus the single response of 'yes' or 'no' to a personnel director with a seat on the company's board is complemented by other detailed information.

Table 5.4: Management Style in Non-Unionised Organisations (N=15)

Dimensions	Service Sector Firms								Manufacturing Firms						
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Collective															
Parent Co. recognise Trade Union ¹⁰												√			√
Parent Co. recognise Staff Association ¹⁷									√				√	√	
Company member of Employer Association ¹⁹	√				√	√	√	√	√			√	√		√
Firm use services of Employer Association ¹⁹															
Employee Committee/Works Council ^{30d}	√				√			√	√		√	√		√	
Annual pay review for all employees ^{30/56}	√		√			√	√	√	√	√		√			√
Single-status/harmonized terms/conditions ⁶³	√	√			√	√					√				√
Non-pay benefits all employees (eg pension) ⁶⁴	√	√		√		√	√	√		√	√			√	
Job evaluation scheme for all employees ⁴⁷	√			√	√	√			√			√	√		√
	6	2	1	2	4	5	3	4	5	2	3	5	3	3	5
Individual															
Individual pay reviews ⁵⁴	√	√		√	√						√		√	√	
Individual performance pay/PBR ⁵⁹	√	√		√		√		√		√	√	√	√	√	√
Regular individual appraisal methods ⁴⁸	√	√	√	√	√	√	√	√	√		√		√	√	
Appraisal methods linked to pay award ⁴⁹	√	√		√	√		√	√			√		√	√	√
Incentive & bonus schemes ⁶³	√			√			√				√	√			√
Employee suggestion schemes ^{30f}	√	√			√									√	√
Multi-skilling/Occupational Demarcation ^{54/55}	√									√		√	√	√	√
Individual communication channels ³²	√	√	√	√	√	√	√	√	√	√	√		√	√	√
De-recognised Trade Union ^{14/15}						√									√
	8	6	2	6	5	4	4	4	2	3	6	3	6	7	7
Strategic Integration															
Personnel department/specialist on-site ^{20/22/23}	√				√	√			√			√	√	√	√
Personnel director on company board ²⁴					√								√		√
Devolved line Mgmt decision-making ^{33/39/51}	√	√	√			√	√	√		√		√			
Personnel role as specialist advice function ³⁶	√					√			√						
Formal discipline & grievance policy ^{33/34/37/38}	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Formal employee training programme ⁴¹⁻⁴⁶	√	√		√	√		√	√					√		√
Formal recruitment policies ^{52/53}	√			√	√	√		√				√	√	√	√
TQM programmes ^{27/28}	√			√	√		√		√			√	√		
Company 'mission statements' ²⁹	√			√		√		√			√	√	√		√
Employee involvement schemes ³⁰	√			√			√						√		
	9	3	2	6	6	6	5	5	4	2	2	6	8	3	6
Total Score	23	11	5	14	15	15	12	13	11	7	11	14	17	13	18

Note: Numbers next to each dimension refer to the question number in the postal questionnaire (appendix 1, part 1).

NB: Company 'A' is Delivery Co. (case study in chapter 11)

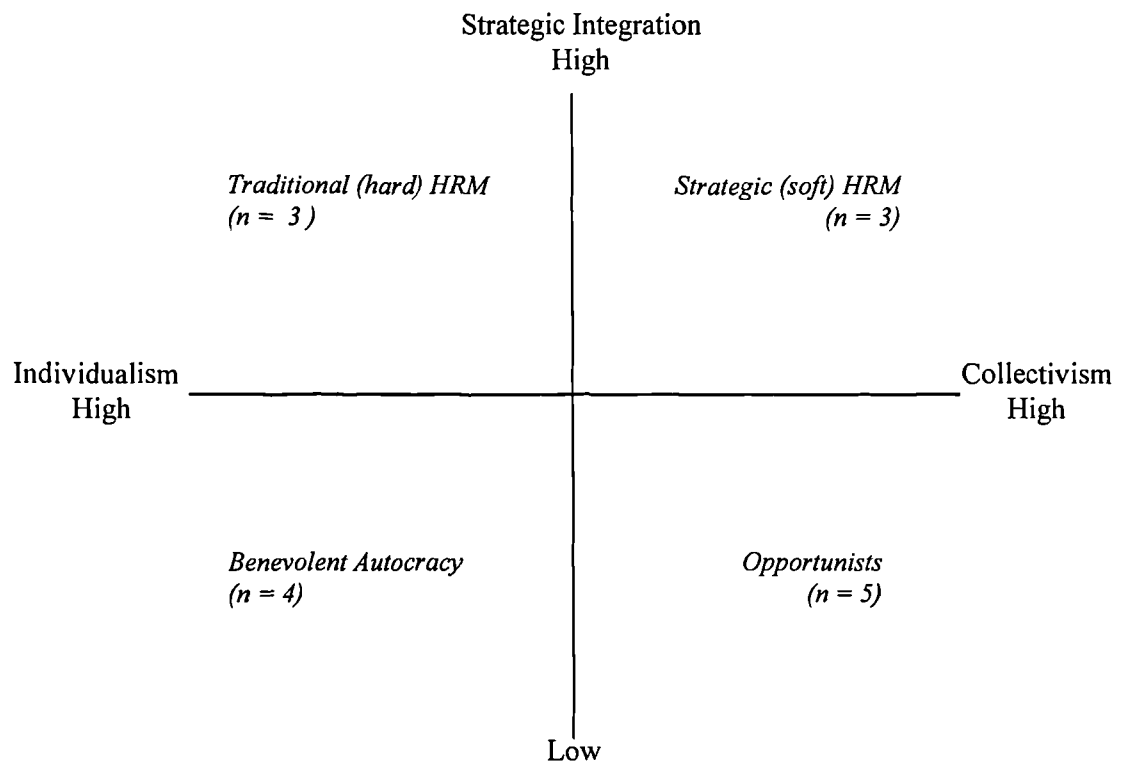
Company 'C' is Water Co. (case study in chapter 8)

Company 'F' is Merchant Co. (case study in chapter 10)

Company 'K' is Chem Co. (case study in chapter 9)

In addition to table 5.4, figure 5.1 below gives a graphical representation of management style categories from the survey respondents. From this, table 5.5 provides a break-down of key organisational features related to management styles across postal survey respondents.

Figure 5.1: Management Styles in Non-Union Organisations



(N = 15) Adapted from: McLoughlin & Gourlay, 1994; Purcell & Sisson, 1983 and Purcell, 1986

Placing organisations into a particular style of management reveals a number of distinct categories. Both 'traditional' and 'strategic HRM' each account for 20% of all non-union firms, with 'benevolent autocrat' making up 27%. The largest single managerial style is 'opportunists' at 33% of the non-unionised sample. This category also accounts for the majority of newer companies, with 4 out of the 5 'opportunist' firms established since 1980.

Table 5.5: Key Features of Management Style in Non-Union Organisations (N=15)

Key Features	<i>Traditional HRM</i>	<i>Strategic HRM</i>	<i>Benevolent Autocrat</i>	<i>Opportunist</i>	Totals
Manufacturing Sector	2	1	2	2	7
Service Sector	1	2	2	3	8
	3	3	4	5	15
British Ownership	2	3	3	3	11
Foreign Ownership	1	0	1	2	4
Established post-1980	0	1	1	4	6
Had De-recognised Unions	1	0	0	1	2
Parent Company Recognise Trade Union or Staff Association	2	2	1	1	6
Size.....					
Less than 200	0	0	0	1	1
200-499	0	1	3	2	6
Over 500	3	2	1	2	8

In terms of size there is also a clustering of firms over 500. All three 'traditional HRM', two 'strategic HRM' and a further two 'opportunist' companies are in the larger size band. The smallest organisation was also 'opportunist'. In addition, all the 'strategic HRM' companies are British-owned, while the remaining typologies have at least one foreign-owned company.

The issue of union de-recognition in the non-union sample is found in both the 'traditional' and 'strategic HRM' groups. Of these, the 'traditional HRM' is the same steel manufacturer mentioned earlier, who withdrew from long-established (20 year) union relationship, while one of the 'strategic HRM' type organisations de-recognised unions during a process of company acquisition and has a minimal experience of a unionised relationship.

EMPLOYEE RELATIONS ISSUES & NON-UNIONISM

When it came to what management regarded as the most important employment relations issues in their company and what was found to be satisfactory about the employment relationship, the questionnaire tapped a number of indicators

which are given in table 5.6. Interestingly, management clearly expressed views that an employment relationship without trade unions brought both ‘advantages’ *and* ‘disadvantages’.

In terms of advantages, respondents believed that the workforce was more committed, loyal and dedicated to its job than if a trade union were present. This indicated that managers perceived trust to be an important dimension of the relationship. The view that non-union status means that employees are treated as individuals was also mentioned as an important factor in 66% of all non-unionised firms. Significantly, 80% of respondents reported that ‘greater managerial freedom’ was the main advantage of a non-unionised workforce, implying that unilateral regulation was a probable feature of the non-union relationship.

Table 5.6: Management perceptions of ‘advantages’ and ‘disadvantages’ with non-union status (N=15)

Main Advantage:	Manufacturing		Services		All Firms	
	%	N	%	N	%	N
Greater Managerial Freedom	85	6	75	6	80	12
Easier Employee Communications	70	5	62	5	66	10
Greater Employee Commitment/Loyalty	57	4	37	3	53	8
Lower Labour Costs	14	1	37	3	26	4
Main Disadvantage:						
Less Employee Loyalty/Commitment	70	5	87	7	80	12
Difficult Employee Communications	70	5	75	6	73	11
Higher Labour Costs	28	2	12	1	37	3

When asked whether non-unionism resulted in disadvantages in the relationship, the question of communicating to employees appears to have represented a double-edged sword. That is while 66% saw employee communications as an advantage in the absence of a union, over 70% believed communicating to employees without a trade union could also be a disadvantage. In other words, some respondents recognised both advantages *and* disadvantages of managing

workers without a collective intermediary. One possible explanation is that, for the advantages, it is easier for management to get 'its' message across without any intermediary influence and, as a disadvantage, effective communications along individualistic lines requires a degree of 'time, effort and money'. These results would indicate a particular strategic focus and regulatory mechanisms, possibly accompanied by greater formality as important processes used to modify the relationship. These findings are not too different from what Flood & Toner (1997) refer to as the 'catch 22' face of non-unionism.

Table 5.6 also shows that while 26% of respondents believed that 'lower' labour costs are an advantage of non-unionism, another 37% suggested the reverse, with 'higher' labour costs associated with non-union status, perhaps paying a premium rate to 'substitute' for unions. An alternative interpretation may be that the 26% of firms who believe non-union status gives management the opportunity to pay lower wages were pursuing a union 'suppression' strategy. In other words, because of the union absence management took advantage of this situation.

With respect to levels of pay and benefits in each organisation, table 5.7 shows that a diverse pattern emerges. Equal numbers of respondents (47%) said that pay was either 'better' or 'the same' as that for other companies in the same industry/area, potentially indicating that employees were unlikely to experience relative deprivation. However, it is necessary to exercise a degree of caution here given the potential for managerial bias. Indeed, as table 5.7 also shows, only one respondent admitted that company pay was 'worse' than that for other similar organisations.

When considering fringe benefits as part of a firm's labour cost, the image that non-union organisations could accept a high labour cost strategy is more

complex. As shown in table 5.7, less than half (47%) of the respondents reported that they provided an occupational pension scheme for all employees; none provided paternity leave or childcare at the workplace; one firm provided local sports and social facilities; three offered 'some' employees private medical assistance (e.g. BUPA); and four provided company cars to 'senior managers or sales reps'. The most common non-pay benefit was either a free car parking space or canteen facilities on site. All non-unionised respondents provided paid holiday leave, with the amount of leave varying between 'three-weeks-three-days' to 'six-weeks-two-days' per year for employees, the average being 'four-weeks-four-days'.

Table 5.7: Pay and non-pay benefits of non-union status (N=15)

Pay & Non-pay Benefits	Manufacturing		Services		All Firms		
	%	N	%	N	%	N	
Compared to other firms in the same industry/area, is the pay in your firm for the typical employee:	better						
	worse	57	4	37	3	46	7
	about the same	0	0	12	1	7	1
		42	3	50	4	46	7
Occupation pension scheme	28	2	62	5	46	7	
Medical assistance (e.g. BUPA)	14	1	25	2	20	3	
Free parking	57	4	88	7	73	11	
On-site catering (e.g. canteen)	86	6	100	8	93	14	
Paid holiday leave	100	7	100	8	100	15	
Protective clothing	86	6	25	2	53	8	

Tentatively, if the range of employee benefits is a clue to how employees are viewed in strategic terms, then 'strategic and traditional HRM' styles appear to be associated with a maximalist orientation to the relationship and the 'opportunistic' and 'benevolent autocrat' firms show a more mixed pattern.

While this survey data is useful in covering a mass of information, the more serious limitations are that it relies on managerial responses alone and that there is a lack of deeper analysis from those who have experience of a non-union

relationship. For these reasons, a number of pilot interviews were undertaken to complement the survey data.

PILOT INTERVIEWS

In order to obtain an insight into non-union employment relations generally, and to examine the usefulness of the dimensions of the relationship discussed in chapter two, five semi-structured interviews were conducted. Indeed, it was information about the relationship in the union de-recognised steel company which prompted a re-consideration of the distinction between attitudinal and behavioural 'them and us' which, in chapter two, was re-labelled discreteness.

For these interviews, three separate non-union companies were contacted and one senior manager responsible for employee relations was interviewed in each firm. A further two interviews were conducted with union officers who had experience of two of these three companies. One was the officer for the NUCPS[1], who was responsible for trying to recruit non-unionised employees at Manchester Training and Enterprise Council (M-TEC), and the other was from the ISTC[2], which had been de-recognised by Co-Steel Sheerness in 1992 (for accounts of this de-recognition, see Leahy, 1996; Bacon, 1997). Unfortunately, no union counterpart was available to be interviewed for the third company, BP (Hull). This company had de-recognised the T&GWU and AEU following a move to single status in 1993, which included a new Representation Agreement for a staff (but not union) consultative forum (for details of this agreement see Tuckman, 1998).

¹ National Union of Public and Civil Servants - since merged with Inland Revenue Staff Federation to form the Public, Tax & Commerce Union (PTC).

² Iron and Steel Trades Federation - the steel workers union.

REGULATION:

These pilot interviews indicated that different degrees of regulation were in place at all three organisations. At Co-Steel the relationship appeared to be toward the extreme unilateral (managerial dominated) end of the continuum for regulation. At the other two companies (M-TEC and BP) regulatory methods resembled a joint approach, but to a different extent. BP appeared to approach the relationship with the greatest degree of joint regulation, in which former unionised structures were to some extent left intact. At M-TEC similar patterns were evident, probably owing to the context and history of public ownership. These are further amplified in what follows.

At Co-Steel the regulatory methods used to modify the relationship had changed from almost traditional industrial relations and collective bargaining with the ISTC and AEU, to an approach that was unilaterally determined on management's own terms. To quote:

“an individual's boss would deal with any adjustments to [terms and conditions] - pay, appraisal, performance, gainshare profits ... If the individual didn't share our vision; ... well, they'd have to go and work for another company, where they could enjoy that sort of representation”

(Personnel Director, Co-Steel).

In contrast, at both M-TEC and BP, a degree of joint regulation was evident, and managerial respondents seemed to imply a degree of union 'substitution'. That is, structures mirrored what could be expected in a unionised relationship through employee consultative mechanisms, albeit to a lesser extent:

“we have a staff committee because we don't recognise trade unions .. the staff committee has been going for over 2½ years now”

(HR Director, M-TEC).

“We’ve actually collapsed everything into what we call an employee forum ... constituency-based representation, and that’s critical is that, [but] not based on tribal loyalties. We have 12 reps elected across the site and they are elected from defined areas ... [they] represent all the people within an area whether they’re a craftsman, technician, a process technician, whether they’re one of the secretaries, whether one of the managers in that area”

(Personnel Director, BP)

Further, at BP, management recognised the need for employee representation to complement the staff forum established under the single status Representation Agreement. Strategically, this allowed a degree (if not an illusion) of joint regulation in modifying the relationship, which arguably buttressed a union ‘substitution’ approach. The Personnel Director at BP explained:

“there’s a representation agreement ... Its not actually been signed by the T&G ... but craft [meaning AEU] actually signed it and they have the opportunity to represent their members for discipline and grievance, and that’s happened once on a grievance When we went to appeal on the redundancy dismissals the actual individual in one case had an ex-craft steward who is now a forum rep in that area”

(Personnel Director, BP).

Furthermore:

“and then there’s [name], who happens to still be a member of the T&G, but he’s quite an effective employee representative”

(Personnel Director, BP).

Evidently, while de-recognising the trade unions for bargaining purposes, management at BP allowed similar unionised forms of representation as a regulatory tool. This gives some evidence of the pseudo-participatory type of relationship conceptualised in chapter two. It is significant that management were not blind to ex-union stewards occupying positions of staff forum representative, and therefore the context of changing relations was extremely

important at BP. In contrast, at M-TEC, less enthusiastic responses about the image of joint regulation were provided by the NUCPS officer [3]:

“People - we considered - were unfairly dismissed, and we took them to tribunal... We’ve in addition to the dismissal cases had problems with people coming back from maternity leave ... tried to push her into a post which was an effective downgrading ... [it is] the way they impose change and terms and conditions on the staff, rather than any meaningful consultation”

(NUCPS Officer).

FORMALISATION

All three companies painted a picture of greater formality than informality, although here some explanation is required. While each respondent described very formal processes, they also talked about a desire and belief in informality as a way to modify the relationship.

At Co-Steel the degree of formality was emphasised by the use of “measurable” behaviour and control techniques. These included a constellation of methods, such as: semi-compulsory training, sickness absence monitoring, performance appraisals, team working, and crew meetings to “indoctrinate” employees into the company’s new philosophies. The underlying approach was conveyed as a rigid mechanism to transform the “hearts and minds” of workers. To quote:

“proletarian classes have been raised to challenge authority because on the shop floor they don’t understand that a particular decision had to be made by a manager ... what we’re now giving them is the chance of understanding the leadership role ...[to] give them a different perspective on life”

(Personnel Director, Co-Steel).

³ NUCPS members are ex-civil servants who transferred as TEC employees following a secondment period. NUCPS had not managed to recruit direct TEC employees, referred to as ‘green labour’.

During the interview, the performance appraisal review was described as the main formal method. Some of the key indicators included a 5 year threshold for discipline and injuries. What this means is that if employees were either disciplined or had an accident at work within a five year span (no matter how minor), their bonus and pay progression was affected for the duration. In contrast to the ACAS code for discipline the process was extremely ‘punitive’ rather than the recommended ‘corrective’ approach. Against these highly detailed and formal measures to control behaviour, the stated methods of seeking an informal approach by ‘open door polices’ and ‘walking the shop floor’ was arguably insignificant:

“we are also very informal at the end of the day. We have four directors, anyone can call us whatever they like, but we are always called by our Christian names, we walk the floor, we talk to people”

(Personnel Director, Co-Steel).

In contrast, at BP and M-TEC, while the image of formality was similarly evident, it was less controversially explained than at Co-Steel, which claimed to be seeking to change class ideologies. At M-TEC, formality was explained because of ‘a civil service way of life’, and at BP, the size of the organisation and its bureaucracy meant formality rather than informality prevailed. To quote:

“a supervisor’s level is really as informal as we get, for things that matter anyway - I’m thinking of something like an oral warning I suppose. If it goes beyond that then you’re playing the rules and procedures game, all written down. It’s got to be these days”

(Personnel Director, BP Hull).

At M-TEC formality similarly outweighed informality as the main approach:

We're very hierarchical, everything's structured, there's a known standard. That's not always a bad thing I think ... we've always had an informal process before a formal process .. The directors will, I guess, almost always consult the line managers, which is very formal, ... [for] .. pay reviews and contracts ... but informal on [other] ... such matters"

(HR Director, M-TEC)

Interestingly, the formality and structure in the relationship at M-TEC was similarly noted by the officer of NUCPS:

"its an old fashioned idea really, that they just want - if I can say - standard and ordinary everyday working practices that aren't going to trouble them too much ... if someone asked for job sharing it seems the TEC won't go out of their way, is the impression we get very strongly"

(NUCPS Officer).

HR STRATEGY

The extent of HR strategy in terms of a reactive (minimalist) and proactive (maximalist) orientation is a difficult and complex feature to assess in the pilot interview companies and it evidently varied between these organisations. All three companies had a personnel department which, on the surface, appeared to take a proactive approach to managing employees. Equally, all companies had a mission statement, which placed the role of employees high on the agenda as a factor for achieving company objectives.

One major difference was the role of the personnel department in these establishments. At both Co-Steel and M-TEC, the personnel director occupied a key role, which had the capacity to influence decisions. At BP, in contrast, the personnel director was site based, and while there was considerable latitude for Hull-based issues to surface, there was nonetheless a strong direction from the company's corporate head office, in particular for conformity with developments at other BP sites (for example, the Barry Island site in South Wales had adopted single status earlier).

Other indicators which point to a different strategic focus within the relationship across these companies relates to pay and benefits. At BP and M-TEC, for example, the staff committee were consulted about pay awards. No such collective consultation existed at Co-Steel. Indeed, it is fair to note that such collective structures at this company were personally disliked by the Personnel Director, suggesting that the perceptions and behaviour of dominant actors is a significant variable. Further, at both BP and Co-Steel, pay is above the norm for the area and industry; for example, BP consciously paid a wage within the “upper quartile”. At M-TEC, however, pay was regarded as comparatively low in relation to the geographic market and in comparison to former civil service salary structures.

In seeking to identify strategic qualities to the relationship, a range of other indicators could be applied to all companies. For example at Co-Steel evidence pointed toward a proactive HR strategy. There was above average pay, extensive vocational training, mission statements, policies and procedures were clearly outlined with an active personnel function. On the other hand, however, much of this appeared to be *forced* on employees as a way to influence their behaviour. Thus the evidence would suggest that there was a proactive strategy designed to marginalise trade unions, together with a reactive approach to the quality of working life issues concerning employees.

Evidence for this can be taken directly from the interview transcript. When asked how the company would react to an employee who ‘was diligent and hard working, a valued team member according to his supervisor, rarely absent and conscientious, but did not support the company’s vision’, the response suggests a rather more business-minded approach which has less of a human quality:

“Well, he wouldn’t get fired on the first day if he didn’t share the vision, to use your sociological and industrial relations style ... but he’s going to have to demonstrate his behaviour ... we would look at his record, we would look if his performance is falling off, ... we’ve been converting people all the time to share in the vision of the company. So if he’s then saying I don’t want this, [we] would say well don’t come to work”

(Personnel Director, Co-Steel).

The harsh, business-minded approach to employee relations is one of the key elements of the ISTC campaign against the company [4]. During the interview with the ISTC Officer, a hand-written letter was produced from a Co-Steel employee which had previously been published in the union’s journal:

“We did not just give in and sign-up, we were outwitted by very clever moves by management. The union was barred from the site, all telephone calls denied, and at union meetings, when the men wanted industrial action, this was not encouraged due to the impending Election.

Without leadership and direction, the men turned inward and became isolated, many prey for management’s pressure tactics. Calling men into the office, thinly veiled threats, men even phoned at home. Wives were intimidated and scared of their husbands losing their jobs.

Unemployment around Sheerness is the highest in the South East of England, and over 90% of the men are married with families.

They didn’t like it but what was the alternative?

Two men complained last year about working 12 hours - they no longer work here. At a recent meeting one of the shop floor workers mentioned the low morale and resentment in the workforce. He was informed that the job centre was straight down the High Street, turn left”.

(Letter from Co-Steel Worker to ISTC, published in ISTC Journal. Original hand-written letter shown during interview at ISTC Offices, London).

⁴ The day the author arrived at Co-Steel to interview the Personnel Director, the ISTC had a billboard poster advertisement outside the gates of the plant. It depicted the tin-man from the Wizard of Oz, with the Personnel Director’s face superimposed on the character. The slogan read ‘no union, no heart’.

Thus the pilot exercise revealed that non-union organisations are likely to differ in the extent of strategic indicators and relationship qualities. Furthermore, there were complex interactions between the proactive and reactive approaches, as evident at Co-Steel and to a lesser extent M-TEC.

TRUST

In relation to the operational definition of trust discussed in chapter two, the pilot data was not designed to elicit a full indication of trust, largely because at this stage time and cost precluded any consideration of employee perceptions at a deeper level. However, some general indicators can be obtained from the responses of those interviewed.

At Co-Steel the relationship was evidently controversial, which in itself is evidence of mixed trust, if not of mistrust. Arguably, the response to the hypothetical question posed earlier, about a 'hard working employee who did not share the company's vision' is indicative of a desire on the part of management for a very high degree of normative control, which in turn is an indication of a low-trust climate. The use of performance measurements also sought to 'convert' employee behaviour in a highly detailed and prescriptive manner, which is comparable to Fox's (1974) concept of *institutionalised* low trust. Furthermore, the ISTC Officer spoke of a 'Scarlet Pimpernel' at the workplace. This was either one or a group of employees who described the Personnel Director as Napoleon Bonaparte by the use of graffiti propaganda around the plant. The 'secretive' nature of these activities is arguably symbolic of a low-trust environment.

At BP and M-TEC, while less obvious evidence was available, it was nonetheless relevant to the conceptual definition of trust. In the main,

respondents in both organisations used the language of empowerment as a way of describing employee trust through task enlargement and flexibility. At BP, single status was viewed as opening new opportunities for employees which generated greater trust. To quote:

“We’ve broken demarcations ... one example, a lad put in a piece of pipe-work back into plant and realised it wouldn’t go ... between him and the craft lads they’d sorted the whole job out, whereas in the past, it would have been go back to your supervisor. He’s then got to talk to so and so, getting him to say yes, no and otherwise. It would go into all the bloody long-winded mechanisms, the shop steward would be involved, is there an issue here and all of that ... now it’s so much better because of the freedom [employees] have. And this is them [employees] speaking as individuals, not some gung-ho bloody manager rubbing his hands in it all”

(Personnel Director, BP Hull).

Of course, there may well be a big difference between actor interpretations. Managers may view empowerment as a good thing for employees, because it also gives the company a greater degree of flexibility. For employees, however, less demarcation and flexibility may mean increasing work-loads and pressure which, in turn, could symbolise a low rather than high-trust relationship. These themes are noted as relevant to the dimensions of the relationship. However it is arguably a deeper explanation from the case study analysis which can address some of these complexities.

DISCRETENESS

It was these pilot interviews which prompted the inclusion of discreteness (as defined in chapter two), as a dimension of the relationship. Originally, following Kelly and Kelly (1991, 1994), ‘them and us attitudes’ were regarded as a factor which, if evidenced by the parties, has the potential to shape behaviour in the relationship. The pilot data led to a conceptual and operational re-visit of this approach to capture some of the more subtle and complex

elements which emerged in the interviews. Considering also the distinctions between attitudinal and behavioural commitment (Mowday et al, 1982; D'Art and Turner, 1997), a distinction between attitudinal and behavioural 'them and us' was made as two sub-dimensions of discreteness.

Overall, all five respondents made reference to 'them and us' perceptions in workers and management, albeit in different ways. At both BP and M-TEC, management viewed the issue in pragmatic terms. The staff forum/committee was one way to pacify any adverse out-group identification among workers. At BP, this sought to lessen the demand for a return to unionisation and collective bargaining, but in M-TEC, the staff committee was supplemented by other approaches. These were believed to foster an identification with the organisation while limiting any demand for alternative collective representation.

To quote:

"In the TEC we've based it on a cafeteria style approach. Money isn't the only motivating factor ... We'll also use the staff committee ... and then there's the conference ... the Chief Executive does his ra ra speech .. we lay on a disco and a dinner, all very jolly. That's why we don't need a trade union, no thanks. No Way Jose ... It works OK without one"

(HR Director, M-TEC).

The more subtle concept of 'behavioural them and us', however, was devised following a review of union respondents' experiences. At M-TEC, the NUCPS officer explained that union members were extremely loyal to the company and committed to their job, but these members often carried a stigma of being 'union supporters', who had to be careful of potential reprisals if their union membership became evident. As the NUCPS officer put it:

“At Manchester TEC we have people inside saying they will do distribution for us, but I’m quite worried about sending stuff to a named individual, even if they’re brave enough to receive it ... You’ve got to realise we’ve sent a mail shot to all potential members there. We understand - well we know actually - those letters never reached the individuals. They were taken out of the post room because they had the NUCPS logo on the front ... I don’t want that person doing distribution to be victimised. We’ve had too many close calls on other victimisation issues like the equal opportunities and unfair dismissals one. Another for trade union activities - well it would probably do us a favour if I’m honest - but it would certainly be a damage to the individual’s career”

(NUCPS Officer).

Further indications emerged much more strongly from the Co-Steel data. At one level, the existence of a ‘Pimpernel’ to propagate anti-managerial values is strong evidence of attitudinal them and us. The ISTC also commented that while membership figures had declined substantially shortly after de-recognition, membership now exceeds three-figures [5]. In short, there is evidence of a growing perception of an alternative collective group identification among workers.

The subtlety of ‘behavioural them and us’ can be related to Cohen’s (1988) distinction between ‘free in theory and forced in practice’ noted in chapter one. The issue of ‘rhetoric and reality’ (Legge, 1995) is equally important. Management rhetoric of employee commitment, motivation and flexibility at Co-Steel can be viewed as forced *compliance* and *dependency*, rather than commitment. As with the NUCPS perception, the ISTC also believe their members were highly committed to the organisation, but an added difference is the existence of a strong community dependency:

⁵ The author promised not to reveal exact membership figures, other than to say the site employed around 500 (including former AEU members and clerical workers). ISTC membership is in the hundreds.

“We’ve got to play it very differently than, well, shall we say the Liverpool Dockers. We’ve thought about similar tactics, we’ve received support and money from all over the world, but cause too much damage to the plant and then the community goes down ... Nearly all the blokes live on the Island. There’s not much outside the plant or the docks”

(ISTC Officer).

The issue here is that, in the short-term, workers at the plant have little option but to offer support (on the surface) to management’s ‘vision’ because of fear of intimidation. Specific cases explained by the ISTC show how workers were “taken aside” to sign a petition to restore a withdrawn RoSPA health & safety award. It was reported that one ISTC member who questioned the petition was told “if you don’t think it’s safe, you’d better get out”. Significantly, the possibility of reprisals were not perceptions in the minds of employees or union officials. The Personnel Director at Co-Steel wrote:

“employees who became increasingly dissatisfied with our new philosophies ... about 5 to 6 percent of employees across the company were put in this category and *terminated*”

(*Emphasis Added*) (Billot, 1993:4)

In many ways employees had little choice but to ‘put up or shut up’. They went along with the managerial vision to some extent, which would indicate support of out-group (i.e. management) values. Yet simultaneously, they demonstrated a growing intra-group (i.e. union) identification which was in conflict to management. The ISTC explained that branch meetings at the plant are held at a different venue each time, often organised in the form of a ‘covert military style operation’ for fear of managerial reprisals. At one meeting:

“We knew someone from management would be outside in his car waiting to clock blokes ... We got people to go, well, instead of going in the meeting, they went into the Kwik Save [next door] and then out the back ... the meeting was actually held miles away”

(ISTC Officer).

Thus a very complex situation existed. On the surface there was evidence of identification with the out-group (e.g. management), and this obscured deeper, underlying behavioural 'them and us' patterns of action between the parties. To this end, the concept of 'behavioural discreteness' is added to capture more fully the dimension 'them and us' within the relationship.

CONCLUSION

The complexities revealed by the two methodological approaches (survey and case study) are worthy of comment. To begin with, the postal survey had specific aims. It sought to locate a group of non-union companies from which firms could be approached for later in-depth investigation. The survey also sought, in a general manner, to tap a number of key themes and issues in non-union organisations. In this respect, the pilot survey was useful. Issues such as managerial style, ownership, sector distribution, degrees of non-unionism and size were noted and support the theoretical approaches in chapters two and three.

The pilot interviews were important supplementary sources of information which corrected survey indicators. For example, from the survey Co-Steel is characterised as having a 'traditional-HRM' managerial style. There are mission statements, extensive rules, policies and benefit packages for employees. Postal questionnaire responses from management all suggest this company has a high individual and strategic approach, similar to the measures used by McLoughlin & Gourlay (1994) and Guest & Hoque (1994).

In contrast to these survey indicators, however, the interview data would suggest that Co-Steel had a 'manipulative' if not 'exploitative' type of relationship. While managerial approaches could well be high on the strategic

aspect, the relationship was considerably more complex. On the one hand employees appeared to have tolerance to managerial values, yet on the other hand, there was a simultaneous indication of intra-group collective identity. This would imply that the structural forms of employment relations in non-union firms revealed by survey evidence are questionable. As Bacon (1997) suggests:

“It is necessary for researchers using the survey method to try and capture different interpretations of developments in non-union employee relations ... In particular, researchers must also consider the views of employees and the possible extent of antagonism towards union activity in some non-union companies”

(Bacon, 1997:11)

Notwithstanding the methodological implications, the pilot data provided a useful analytical tool. Key themes and issues were raised. Perhaps more importantly, this forced a scrutiny of the dimensions of the relationship at an early stage in the investigation and, where appropriate, these were revised. There is also evidence that the dimensions of the relationship differ across those organisations contacted for preliminary enquiry. What is required is a fuller explanation of *how* and *why* these dimensions differ. The latter is one of the major aims in adopting a case study approach allied to survey data in this thesis.

CHAPTER SIX

THE SETTING FOR THE STUDY

INTRODUCTION

There are two objectives for this chapter. The first is to explain the suitability of each organisation for in-depth study, the second is to provide an historical overview of each company studied. Thus this chapter 'sets the scene' for what follows in subsequent chapters of the thesis.

SUITABILITY OF ORGANISATIONS SELECTED

Empirical data was collected in four organisations and, as noted in chapter four, an initial consideration was that each organisation should show signs of *dissimilarity* across a broad spectrum of variables. The four organisations eventually selected will be outlined later. For the present it is important to briefly explain the reasons why they were chosen and this was based on six general criteria, as follows.

The first was that the nature of non-union relationships are likely to be more complicated than one of two polarised perspectives between 'small and large' firms. This is because larger non-union organisations are often depicted as household names with sophisticated human relations, while small establishments tend to be viewed as 'sweatshop/bleak-houses'. The organisations selected were chosen to reflect a cross-sample of different sized organisations which could add to these considerations.

Second, market influences were also noted as potentially important in the relationship, as described in chapter three. One implication that was considered was that non-unionism is often found among hi-tech, service and professional type organisations (Beaumont & Harris, 1988; Kochan *et al*, 1986; McLoughlin & Gourlay, 1994). However, little consideration has been given to the impact of market competition with respect to non-union manual occupations, particularly

within manufacturing organisations. For these reasons, a cross-sectoral distribution of companies was chosen which would reflect both service and manufacturing activities.

Third, the four firms chosen reflected a regional diversity within Britain. Evidence suggests that particular parts of the country are more likely to have a disproportionate share of non-union firms (Beaumont & Cairns, 1987; Beaumont & Harris, 1988). A study based exclusively in one particular regional locality (for example McLoughlin & Gourlay, 1994; Bacon, 1997) runs the risk of reporting findings which are shaped by that geographical context. To this end, different regional contexts were sought to add as wide a picture as possible.

The fourth consideration was occupational coverage. That is, the sample of firms should reflect more than one category of worker. In this way, non-unionism would not be confined to an exclusive occupational group and a wider scope of data would be obtained to explain differences and similarities between non-union companies.

The fifth consideration was the age of organisations, which has been cited as a particularly prominent feature of non-unionism during the 1980s (Beaumont & Cairns, 1987; Beaumont & Harris, 1988; McLoughlin & Gourlay, 1994). However, this would not address the issues raised in chapter one, that even at the peak of unionisation (1979, density 55%), a significant minority of workers were not covered by collective bargaining. One aim is to explain non-union relations among organisations which commenced trading both before *and* during the 1980s.

Sixth, it was desirable to reflect different patterns of ownership, because foreign-owned firms offer the potential to import managerial systems which can be derived from foreign customs and cultures (Cressey *et al*, 1985; Gunnigle, 1995; Wilkinson & Ackers, 1995).

Taken together, it was felt that these six broad areas were required to establish different types of organisations prior to in-depth investigation. For the four organisations eventually selected, table 6.1 at the end of this chapter provides a summary description of this selection criteria and in what follows a brief overview is given for each firm.

ORGANISATIONS SELECTED: OVERVIEW AND SETTING

WATER CO.

Water Co. commenced trading in 1987, and sells distilled mineral water for use in industry and commerce. The company was established as a British subsidiary of a well-known French mineral water company. In 1992 this company sold the British subsidiary, Water Co., to a Canadian-owned mineral water company for £4 million.

In 1993 Water Co. traded at a £650,000 loss from an annual turnover of £3 million. This led to a reduction in the numbers employed from 95 to 85, with the closure a distribution centre in Wycomb. However, in 1994 it obtained its first but modest (£50,000) profitable returns. In 1995 a new distribution centre was opened in Warrington increasing the workforce to 120. In 1996 it had grown substantially in commercial terms, and was independently valued at £38 million, with its latest pre-tax profits just under £3 million.

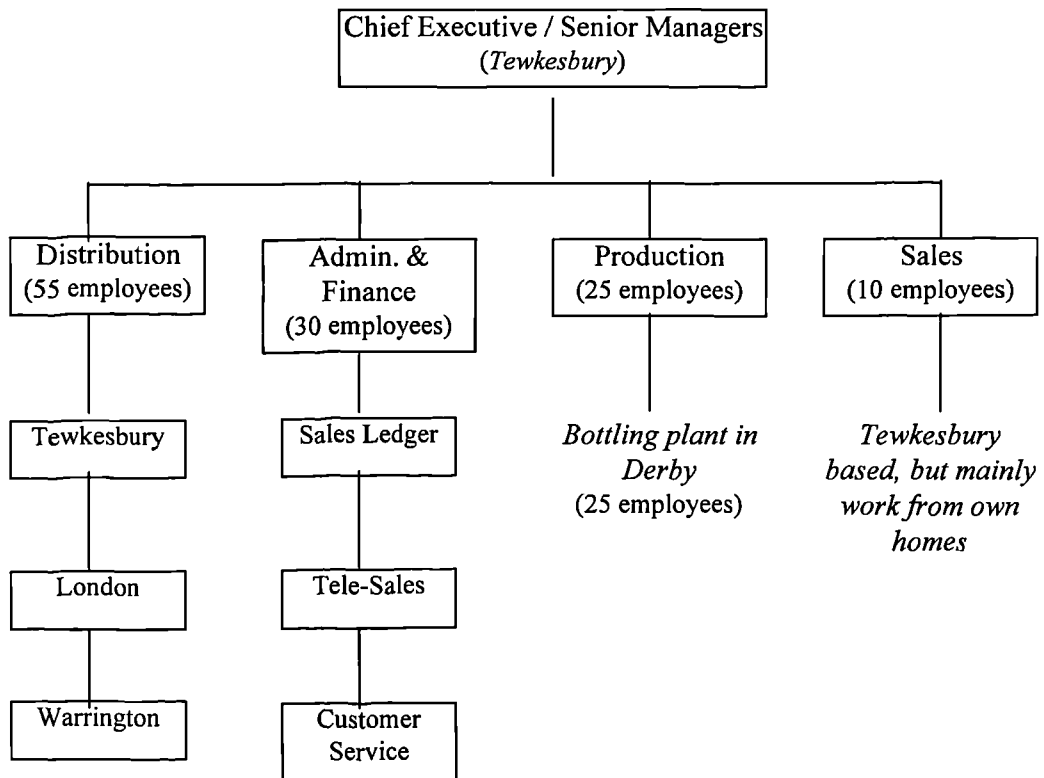
While this investigation focused solely on the UK-operations, Water Co. is part of a larger multi-national firm, although it is small by traditional multi-national standards. Internationally, it has just over 800 employees world-wide; 300 in the USA and 400 in Canada. For the latter, there is a formal union recognition agreement owing to legislation in Canada. Water Co. is legally registered as a joint American-Canadian owned firm, although in practical terms the principal owner is its American organisation. This has commercial interests in three other mineral water companies with the USA head office regarded as the 'strategic base of the company'. In practice, senior managerial activity is conducted from both America and Canada, with the owner based in the former and the company's president based in Canada. All company profits and decision-making powers ultimately remain the prerogative of the US office.

The British operation which forms the case study for this investigation is a multi-plant operation. This comprises the head office, which incorporates the main distribution centre based in Tewkesbury, a processing plant (i.e. the bottling of water) in Derby and two other distribution centres, one in London and one in Warrington. Within this geographical structure, there are four main business functions. Of these, the largest department in terms of the number of employees is 'distribution' (55), followed by 'admin. and finance' (30), then 'production' (25), and finally 'sales' with approximately 10 employees. This structure of Water Co. is shown in figure 6.1 below.

There are several important points about this structure. First, for the 55 employees within distribution, there are three separate sites; the largest being Tewkesbury (35 employees), followed by London and Warrington. Each distribution site also employs different categories of workers. These are: a site supervisor, a site-based 'route-manager' (someone who sorted delivery routes

for the following day for drivers), drivers, and sanitation engineers (someone who maintains and repairs water cooler machines at customer sites). However the bulk of distribution employees are delivery drivers.

Figure 6.1: Organisational Structure: Water Co.



Second, the title ‘admin and finance’ function can be misleading. This function is made-up of a ‘sales ledger’ department (about 4 employees) which manages the firm’s accounts and chasing customers for money, a ‘customer service’ department (about 8 employees) which deal with existing customer queries and problems, a ‘tele-sales’ department (about 15 employees), whose job is to ring prospective companies to tout for business as well as deal with existing customer accounts. There is also a sales team who work mainly from home, although technically identified as Tewkesbury based.

For production, apart from one senior manager at the head office, all are based in the bottling/processing plant in Derby (Buxton). This operates a two shift system with two foremen running the site, to supply the distribution centres as holding sites for customer water (approximately 25 employees work a 6-2; 2-10 shift system).

In principle all employee relations matters are dealt with by the senior manager for each function, who has either a supervisor or team-leader below him or her. This means that there is a large degree of supervisory autonomy at those sites outside of the head office, especially in distribution and production. However, major decisions to modify the relationship, for example pay or terms and conditions, are almost exclusively made by the Chief Executive. Occasionally there is some involvement of other functional managers, however there was no formal mechanism of joint management decision-making or employee involvement.

In terms of the six selection criteria Water Co. was deemed a suitable and valuable organisation for in-depth investigation. It was a multi-site SME in the service sector and had experienced a turbulent market as a relatively young organisation. There were also different types of occupations employed across different geographical sites, and Water Co. was a foreign-owned company which could be an important source of influence in making and modifying the employment relationship.

CHEM Co.

Chem Co. came into existence in 1975 and was the result of an amalgamation of a number of small chemical dye manufacturers. This followed hard on the heels of a decline in the textile industries in Lancashire and Yorkshire in the late

1960s. Under the general auspices of the then Bradford Dyers Association (BDA), a number of experiments were conducted in the early 1970s to switch from textile chemical dyes to bromide and bleaching agents. In 1977 Chem Co. was established as it is today, with 130 employees across two sites. Chem Co. is an organisation with a large proportion of manual employees and the company is engaged in manufacturing as well as processing chemical products. In contrast to Water Co., it represents a long-term non-union relationship in a company that expanded during the zenith of unionisation in the 1970s.

The main site is in Knowsley, Merseyside, with another site in Leeds. Both are multi-purpose plants and shortly before the study commenced another site in Widnes was closed because of outdated plant and machinery, which limited its multi-purpose capabilities. Investment in technology at both Knowsley and Leeds meant that the company was capable of producing the same output with some reorganisation, particularly the purchase of land adjacent to the Knowsley site for expansion. There were no compulsory redundancies from the reorganisation, although about 6 employees decided not to move from Widnes to either Knowsley or Leeds.

Chem Co's business activities include over 150 products, all concentrated in a niche market for intermediary chemicals (i.e. Chem Co. does not make an end product). For example, products include chemical compounds for washing powder, fabric conditioner and paints. As such, there are a few important contracts to supply ICI and Unilever. Unlike other SME-type companies which may experience customer-chain dependency (Blyton & Turnbull, 1994), Chem Co. also has a diversity of customers, although ICI and Unilever account for about 40-45% of all business. In addition, there is a growing business in flame

retarding chemicals for the textile industry, bromides for photography (Agfa and Kodak) and products for the pharmaceutical industry.

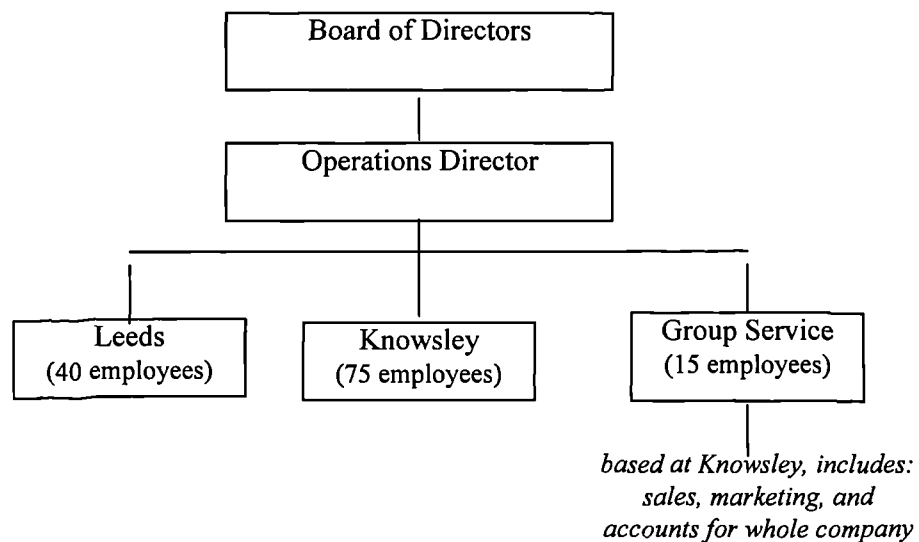
Recession in the late 1980s/early 1990s hit the bromide side of Chem Co's activities, which led to research and development for new products. After new investment in ventilation pumps and laboratory equipment, together with a successful venture with the University of York, Chem Co. patented a range of new products (*Envirocats Reagents*) which were targeted at the pharmaceuticals industry. Currently these products account for another 30% of Chem Co's business activity.

The organisational structure of Chem Co. reflects its geographical distribution, which is split along three principle lines; Knowsley, Leeds, and Group Services. At both Knowsley and Leeds, the sites can make and process most chemical products, although in terms of volume and turnover, Knowsley accounts for the bulk of the company's business. A greater number of employees are based at Knowsley, which includes Group Services as an umbrella title for non-chemical functions, for example Accounts, Marketing and Sales.

In commercial terms, Chem Co. has experienced a shift from a loss making organisation (deficit of £112K in 1990) to a growing share of the domestic market, with some export trade from 1993 onwards. By 1996 Chem Co. had a total turnover of £29.5 million, of which £300K was retained as profit and the company was independently valued at £7.7m. However, the two sites operate as separate cost centres. For example, in 1996 Knowsley accounted for £19.2m of total turnover and £200K of profits, and Leeds £10.3m and £100K respectively.

There is no personnel manager or personnel department at Chem Co., and all employee relations matters are dealt with by the Operations Director, below whom are site managers, then supervisors and team leaders covering either technical (e.g. laboratory), maintenance and process operatives. There is a separate Employee Works Committee for each site, and these are chaired by the Operations Director. In Group Services there are department managers, for example for accounts and clerical support. The organisational structure of Chem Co. is shown in figure 6.2.

Figure 6.2: Organisational Structure: Chem Co.



The majority of employees are manual, process operatives who work in shift cells. The nature of work for these employees is similar to a production line process, manufacturing chemical products covering a 24 hour, 365 day shift system. In contrast, technical-type employees are based in particular laboratories which are related to the type of chemicals (for example paints, pharmaceuticals or washing powder). However, they also work 'on the line' from time to time to ensure that large batches are produced correctly. The majority of the workforce (80%) is male.

In terms of the six selection criteria Chem Co. was deemed a suitable and valuable organisation for in-depth investigation. It differed from Water Co. as it was engaged in the manufacturing sector and therefore employed a very different group of workers, particularly skilled technicians as well as semi-skilled process operatives. In addition, the market for chemical products was considered an important difference in organisational-type. Chem Co. was similar to Water Co. in that it was a multi-site SME. However, it represented a long established non-union relationship during the height of union membership in Britain. It was also UK-owned and therefore differed in terms of ownership as a possible influence on the relationship.

MERCHANT CO.

This firm first began trading in 1936 as a Glasgow-based builders merchant. As such it provides evidence of a non-union relationship with a long history. Merchant Co. experienced an expansion phase between 1962-1974, predominantly focused in Scotland and the North of England. By the early 1980s it had acquired a number of smaller merchant firms, giving it a national coverage underpinned by a network of regionally-based managers for specific business activities. These are further complemented by a layer of branch managers who manage small retail outlets and local contracts.

The mid-1980's also witnessed a restructuring in both operations and human resource policy. In 1983 the company's head office, incorporating the northern distribution and warehouse centre, was then located on one site with a centralised personnel function. Interestingly, during this time Merchant Co. adopted a non-union strategy according to circumstances and market conditions. De-recognition, although minimal, occurred prior to significant growth periods in the company when the employees' (or unions') bargaining position was

comparatively weaker. By the time Merchant Co. reached its peak in 1989 (4,400 employees), non-unionism was the norm. De-recognition was confined to the smaller firms Merchant Co. acquired.

In 1993 the *Builders Merchant Journal* described the company as the fourth largest builders merchant, with a particularly strong presence in Scotland and the south-west relative to the company's size. The core business activities were supplying materials to trade customers; plumbers, heating engineers, house-builders, housing associations, local authorities and a constellation of sub-contracting organisations. Indeed, a 'light' and 'heavy' side business distinction is regarded as a trade classification, where the former symbolises plumbing materials (ceramic tiles, copper tubing, taps, bathroom products, radiators etc.) while 'heavy' business activities is synonymous with materials for house building, bricks, plaster, cement, aggregates and ironmongery for instance.

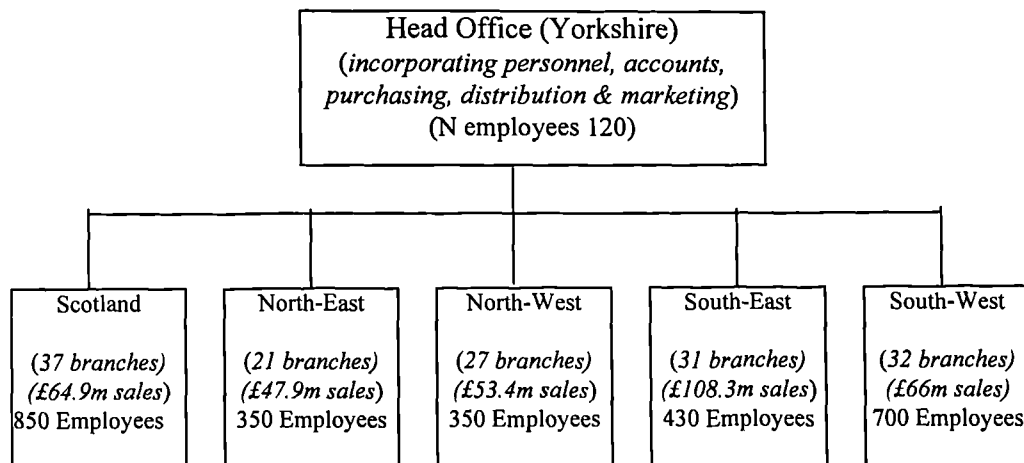
For 1993-94 the UK builders merchant market had a turnover of £7 billion, of which Merchant Co's share stood at 5%. The top ten builders merchants represented 37% of the total market share (*Builders Merchant Journal*, 1993/94). Of particular interest is that in a predominantly fragmented industry with around 600 builders merchants, Merchant Co. stood out as one of the largest single companies.

However, by the early 1990s conditions in the housing market started to affect company performance and as a result, there was a redundancy programme which reduced the numbers employed by 1,500 (from a peak in 1989 of 4,440 to 2,800 by 1996). During this downturn, redundancy pay totalled £637,000 - on average £425 per redundant employee (*Annual Reports*, 1995). The company was floated on the stock exchange in 1994 to raise capital to meet a borrowing

deficit of £10.9 million and company liabilities of £18.9 million for that year. In total £90 million was raised by the flotation. By 1997, when this investigation took place, Merchant Co. employed 2,800 employees nationally, with an annual turnover of £374 million and pre-tax profit level of £13.5 million (1996). In floating the company on the stock exchange, Directors appeared to commend the virtues of a non-unionised human resource strategy to prospective share buyers, emphasising that “*only a very small number of employees are members of trade unions*” [1].

The organisational structure is shown in figure 6.3. The largest single site is the company’s head office, which also incorporates a warehouse, distribution centre and showroom. It is at this head office, employing approximately 120 staff, that the investigation took place. This is divided into several functions, as follows: personnel (12), accounts (22), purchasing (30), marketing (20), and warehouse/distribution (32).

Figure 6.3: Organisational Structure: Merchant Co.



¹ Natwest Securities Ltd (1994), acting as sponsors for Merchant Co., *Placing an Offer for Sale of Shares*, p19. The value of regional sales is also taken from this company document.

There is some qualification to this structure, as in distribution there are also a number of skilled employees, who often work as contractors on particular local authority or prison service contracts, for example, fitting bathrooms and kitchens. Within purchasing and marketing, there are a small number of employees who work in the showroom, selling products direct to customers.

Within personnel, there is a senior personnel manager allied to a number of personnel officers (for example, specialists for health and safety matters) who are (or were in the process of being) IPD accredited. However, the senior personnel manager does not have a seat on the company's board. There are no formal employee consultation mechanisms, although personnel officers are often given the task of seeking branch/departmental manager opinions prior to any change or modification to the employment relationship.

As can be seen in figure 6.2, the bulk of Merchant Co. employees are based nationally in small branches. In total there are 148 branches, and although these vary in terms of actual size, from over 100 employees to others employing as few as 5, the typical branch employ about 20 staff. It is also common for most branches to include a showroom of products and materials and employ different occupations; for example, clerical employees, drivers and fitters. In short, most branches employ both white collar and manual workers.

Overall, Merchant Co. was deemed a suitable and valuable organisation for in-depth investigation given the six criteria outlined at the beginning of this chapter. It differed from the previous two organisations given its size, occupational coverage, market sector and age. In addition Merchant Co. had some, albeit minimal experience of union de-recognition during company acquisitions and had implemented a redundancy programme against a turbulent

product market. It also had a personnel department which differed from the previous two organisations, which may account for key relationship influences.

DELIVERY CO.

The final firm in this investigation commenced trading in 1969 in America, as a freight air transport service and by 1974 was a multi-national organisation. The trading activity is 'door to door parcel delivery' services, and the company is described as being the market leader for the past 10 years, although the early 1990s has seen a large increase in competition from similar international parcel delivery organisations.

Delivery Co. in each host country is registered as a separate business, although all profits are retained by its holding company in Bermuda, Delivery Co. World-wide^[2]. In practical terms, operational activities for non-US business come under the general guidance of its headquarters in Brussels, which extends influence over advertising and marketing strategies. It was also explained that human resource planning was largely independent to reflect local market conditions.

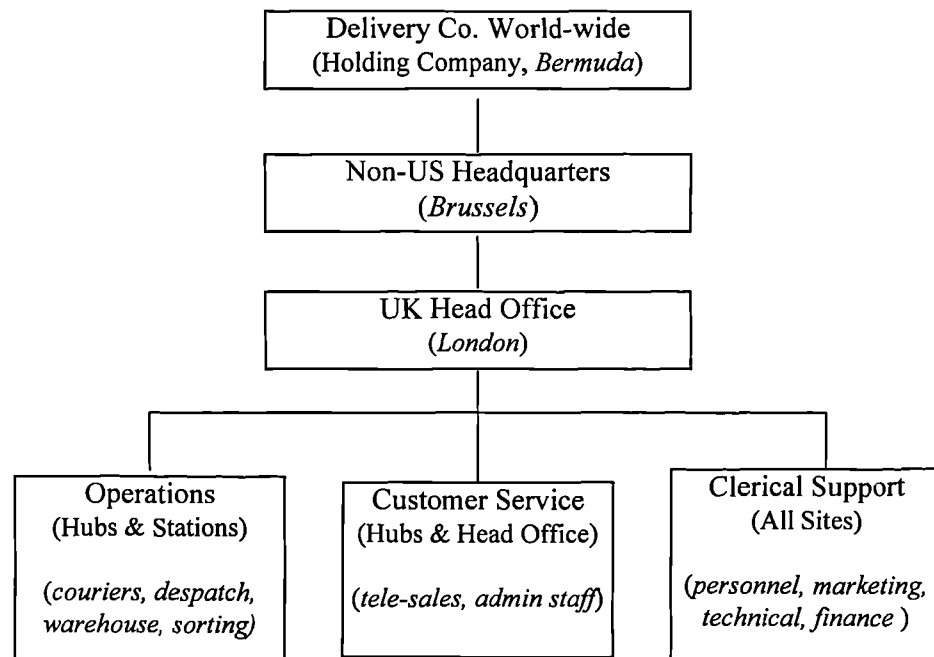
Ownership is extremely diversified among different private and corporate owners, for example, American, French, Dutch, German and Japanese interests. In practical terms, however, Delivery Co. is generally thought of as an 'American company', both internally and externally. In structural terms, Delivery Co. World-wide is divided into two principle activities: Delivery Co. Airways, serving all US locations; and Delivery Co. International, serving all locations outside the US territories. Thus for this investigation Delivery Co.

² As a holding company in Bermuda, details of turnover and profits for Delivery Co. World-wide were not available publicly.

provides data from a large company that is foreign-owned and one which maintains market leadership despite increasing competition.

Delivery Co. describes itself as one of the largest multi-national organisations, with a greater presence world-wide than American Express or Coca-Cola. Internationally, there are 53,000 employees, although for this study only the British side of the organisation was considered, which employs approximately 3,500 people. The assets of Delivery Co. are significant by any measure. The company has 2000 separate sites in 227 countries, owns over 12,000 vehicles and 200 aircraft. All business activity is conducted through 30 international hubs, of which there are 2 two in Britain (East Midlands and Heathrow). These hubs are linked to regional distribution centres (known as Gateways), which then feed individual stations situated throughout the country. In addition to the head office and two hub centres, there are over 50 individual stations in the UK, usually located in a major city.

In terms of its structure, Delivery Co. has its own personnel department located at the UK London head office, although the personnel manager in Britain does not have a seat on the company's board of directors. Employee relations matters are directed from both the Brussels and UK head offices, however station managers have some degree of autonomy in relation to modifying the relationship to reflect local market factors; for example pay, benefits and the approaches to recruiting staff. There is a European Works Council, from which employees elect 'one' of their peers as the UK representative. Each station mirrors three core business functions, which are shown in figure 6.4. These are: customer services, clerical support and operations.

Figure 6.4: Organisation Structure: Delivery Co.

In commercial terms, Delivery Co. has experienced consistent growth, both in the UK and across the globe. For the UK operations, the company had grown on average by 20% per year between 1990 and 1996, with a turnover of £230 million and profit of £6.6 million. The number of employees had also increased over this period, from approximately 2000 to 3,500 by the time of this investigation. In 1996, Delivery Co. (UK) was valued at £26 million.

Delivery Co. claims to operate a variety of so-called sophisticated HRM-type practices. There is a strong emphasis on 'organisational culture' as key aspect of modifying the employment relationship, with employee involvement programmes used to encourage humour as a way to shape action and behaviour through both employee relations and the company's marketing strategy. Unusual examples, which are banner headlines in company literature include:

the delivery of ‘a pair of socks for the All Blacks rugby team’, ‘a curry delivered from a London restaurant to Moscow’, ‘Prince Charles’s cap and gown for a University ball’ and a ‘new set of drums for the band U2’. Employees are encouraged to come up with their own ideas and suggestions which aim to reflect Delivery Co. as a ‘dynamic and vibrant’ organisation.

Regarding the six general selection criteria, Delivery Co. adds to the data set for this investigation owing to some important key differences. It is a large foreign-owned multi-national organisation that is well-established in terms of age. In addition, it provides a wide geographical sample of different types of occupational groups, has its own separate personnel department and is engaged in a competitive service sector market. Finally, initial indicators of the employment relationship at Delivery Co. points toward a sophisticated non-union model. Taken together, these initial features for Delivery Co. therefore complement the diversity of non-union firms discussed in early chapters.

CONCLUSION

This chapter has purposely been brief, with two specific objectives. The first was to explain the suitability of participating companies in general and the second to provide an overview of the setting in each company. Each of these four companies form a separate case study, in which a deeper analysis of the employment relationship is reported in chapters eight to eleven. To summarise, table 6.1 below gives a combination of vital statistics for each organisation and for completeness, a brief overview of the participation among respondents in each firm is given.

Table 6.1: Vital and Summary Statistics for All Four Case Studies

	Water Co.	Chem Co.	Merchant Co.	Delivery Co.
Co. Established	1987	1977	1936	1974
Sector	Services / Processing	Manufacturing/ Processing	Services	Services
Business Activity	Bottled Mineral Water	Chemicals (intermediaries)	Building Materials	Parcel Delivery Services
Market Conditions	Initial decline, followed by rapid growth of UK market	Decline, followed by R&D; growth in UK market & some exports	Decline, affected by house building market in UK	Large growth of UK and international market.
Regional Coverage (<i>sites visited</i>)	Tewkesbury (HQ) Derby, Warrington, London	Knowsley and Leeds	Yorkshire	London (HQ); East Midlands, Leeds, Liverpool
Size by Employees	120 ^a	130 ^a	3,000 ^{b, c}	53,500 ^{b, d}
Employment growth/decline	Decline, followed by moderate growth.	Some decline from productivity gains.	Decline.	Large growth.
Ownership	USA-Canada	UK	UK	USA & Others
Response Rate	50% (61)	51% (67)	32% (39)	54% (109)
<i>Male</i>	41%	88%	56%	55%
<i>Female</i>	55%	12%	44%	45%
Occupations:				
<i>White Collar</i>	57%	8%	69%	54%
<i>Manual</i>	43%	92%	31%	46%
TU Membership				
<i>Current Member</i>	3% (2)	13% (9)	10% (4)	2.8% (3)
<i>Former Member</i>	n/a	33%	31%	30%
Education Level				
<i>No Qualifications</i>	11%	16%	8%	14%
<i>'O' Level</i>	40%	0	28%	41%
<i>'A' Level</i>	43%	0	26%	26%
<i>Degree</i>	8%	47%	25%	7%
<i>Higher Degree</i>	0	6%	0	0
<i>Apprenticeship</i>	0	30%	10%	5%
Mean Salary Bands	£7-12K (49%)	£12-16K (75%)	£7-12K (46%)	£12-16K (44%)

(a): Access to whole workforce agreed by Questionnaire, specific locations by interview.

(b): Access restricted to sample by Questionnaire, specific locations for interview.

(c): Size of whole company. Study focused in one office of 120 employees.

(d): Size of whole company. Study focused in UK which employed 3,500, from which a stratified sample received questionnaires and selected sites for interviews.

CHAPTER SEVEN

DESCRIPTIVE FINDINGS

THE FIVE DIMENSIONS OF THE EMPLOYMENT RELATIONSHIP

INTRODUCTION

This chapter presents results that locate each non-union firm studied along the dimensions used to explain the employment relationship. These dimensions were described in chapter two and to briefly reiterate, they are:

- i. Regulation
- ii. HR Strategy
- iii. Trust
- iv. Formalisation
- v. Discreteness

In outline, each dimension is discussed in three steps:

- (1) An explanation is given of the collection instruments and measuring framework used for the dimension.
- (2) Summary index statistics locating the four organisations studied on each of the dimensions are presented.
- (3) Some of the advantages and limitations of these descriptive findings are explained in a short discussion.

The summary at the end of this chapter suggests that while these are meaningful results that allow the major characteristics of the relationship to be identified, the data presented in this chapter does not explain *why* a particular organisation is located along the dimension in the position it occupies. This is the task of subsequent chapters in which links between the dimensions of the relationship and other factors are established.

DIMENSION 1: REGULATION

The extent to which the relationship is, in the absence of a trade union, determined unilaterally by management or contains elements of a joint approach was identified in three ways:

- i) the extent of managerial edict.
- ii) the existence and purpose of a works committee (where one exists).
- iii) the use of wider workplace meetings and opportunities for dialogue.

The measures for each of these were devised by a multiple indicator approach so that triangulation utilised both factual and perceptual information. The data collected from the company and employee questionnaires is given in appendix one, parts 1 to 5. A full description of the of the measuring framework for regulation is given in table 1 in appendix two. The employee questions were subjected to factor analysis, explained fully in appendix three.

MANAGERIAL EDICT: This was assessed in four ways. First by ‘how management communicate and consult’ with employees. This was obtained from two responses in the company questionnaire (questions 35 and 36; appendix one, part 2). Second, in order to assess the ‘extent of communications’, responses to questions 43 and 44 were used from the same questionnaire. These asked what methods and at what frequency management communicated change to employees. Third, to examine the principle processes used to modify the relationship, information was obtained from the company interview (appendix one, part 3). This asked the senior manager in each company to explain how terms and conditions are modified, taking into account the extent of line management authority. Finally, employee perceptions of the extent of workplace tension and conflict as a sign of

managerial edict were sought. This was derived from the employee survey, using factor 4 from appendix three.

WORKS COUNCIL: This was examined in four ways. First, to identify the ‘existence and range of issues’ covered by a Works Council (WC), responses to question 32 (h) in the company questionnaire were used. Second, to assess the ‘representativeness’ of a WC (where it existed), use was made of company documentation, together with responses to the senior management interview. Third, the ‘purpose of a works council’ in each company was tapped by a search of company documentation and the responses to interview questions that sought managerial perceptions of the utility of a works council. Finally, the frequency of meetings was assessed from both company documentation and the management interview.

WORKPLACE MEETINGS: Two indicators were used here. The first consisted of a review of documentation and responses to questions 32 (c, d & r) in the company questionnaire. This tapped perceptions of the existence of rules for ‘workplace meetings’ (e.g. team meetings / quality circles etc.) and sought to determine the ‘aims and purpose’ of these meetings as potential regulatory tools (a works council or employee committee is considered separate from workplace meetings, as outlined above). The second indicator was drawn from the employee survey, specifically questions 40a, 40c and 41 which have been labelled ‘opportunities to engage management in dialogue’ from appendix three (factor 5).

SUMMARY STATISTICS FOR REGULATION - ALL COMPANIES

Tables 1.1 to 1.4 in appendix two show the full data and evidence for each company for all three measures of regulation (managerial edict, works

council/committee, and meetings/dialogue), as described above. The combined sum of all measures is used to produce a weighted index scale of 0 to 100, in which a low score indicates a unilateral approach and a high score one which contains a greater element of joint regulation. A summary of each company's index score is reproduced in table 7.1 below, in rank order. How these index scores were devised is explained in table 1.5, appendix two.

Table 7.1 - Summary Statistics for Regulation

Company	Index Score
Delivery Co.	55
Chem Co.	48.6
Merchant Co.	33.4
Water Co.	24

Scores out of 0 - 100, where 0 = unilateral and 100 maximum joint regulatory approaches

Table 7.1 shows the rank order for each company. As can be seen, Water Co. has the highest degree of unilateral regulation and Delivery Co. the least. It is interesting to note that out of a possible maximum score of 100, only Delivery Co. is located at a point towards the joint end of the regulatory continuum and even then only marginally so. In general terms, this tends to imply that management are by far the dominant party in determining how the relationship is regulated, made and modified in all organisations.

This issue of dominant actors is also revealed in dis-aggregated data in tables 1.1 to 1.4 in appendix two. For example, both Chem Co. and Delivery Co. operated a Works Council (WC), which accounts for their relatively higher scores on this dimension. However, at each company the works council had a different purpose. In Delivery Co., for instance, the works committee was brought into existence because of wider political pressures emanating from the European level and forced on British management. The company has

operations throughout the globe and felt obliged to bring UK operations in line with the requirements of European Works Council Directives. Nevertheless, there was only one employee representative for the whole UK workforce, and the WC operated in a highly *presentational* (rather than *consultative*) mode.

In contrast, at the Chemical Company, management formed a works council in the mid-1980s, although in recent years managers have become far less supportive. Significantly, this company is much smaller than Delivery Co., which means that a WC would be much easier to implement and manage. However there was nonetheless a pre-determined agenda and control strategy to ensure that the WC was balanced in management's favour. People were selected as well elected to serve on the WC, and meetings held outside working time. Indeed, Chem Co. management are now critical of the WC, which at the time of the study had not met in the previous year. Moreover, as a regulatory approach within the relationship, the WC at both Delivery Co. and Chem Co. have only marginal and limited roles in making and modifying the relationships.

It is also interesting to note that those companies that show more of a joint regulatory approach along these measures also show a similar 'pattern' for other dimensions. For instance, table 1.5 (appendix two) shows that Delivery Co's score for managerial edict implies more joint regulation in comparison to the Water Company. This similar 'pattern' is also noticeable for workplace dialogue - where Water Co. score the lowest Delivery Co. score one of the highest.

Perhaps more significantly, overall these non-union firms have an approach which is low in terms of joint regulation, albeit in differing degrees. Even

Delivery Co., which has an index of 55 out of 100, is barely indicative of a joint approach between management and workers. Furthermore, employee perceptions of apparent workplace conflict (factor 4, appendix three) show that two companies (Delivery and Merchant Co.) were near to the mid-point on this sub-index.

DIMENSION 2: HR STRATEGY

This section gives a summary description of where each company is located along the reactive-proactive continuum, the rationale for which was set-out in chapter two. This was assessed by analysis of the following:

- i) whether each organisation had a 'strategic vision' concerning the management of labour.
- ii) the existence and role of a personnel function [1].

STRATEGIC VISION: This was examined in two ways. First, by assessing whether each organisation had a mission or vision statement (MVS) that recognises the role of employees in achieving company objectives. This was determined by responses to question 32 (a) in the company questionnaire, together with content analysis of company documentation. Second, by evaluating the extent to which each organisation integrates (or perceives that it integrates) employee relations with overall company plans. This data was collected from question 25 in the company questionnaire (appendix one, part 2) and supplemented by information obtained from the interview with the senior manager (appendix one, part 3). The latter method sought data on

¹ This is not necessarily a 'personnel department', but rather how personnel-related matters are managed in each organisation.

respondent experiences and explanations of how HR strategy was formulated within their organisation.

PERSONNEL FUNCTION: Two principle indicators were used. First, whether a personnel function existed and secondly, the influence of personnel-related activities within each organisation. Information on whether a personnel or senior manager, who may or may not have a seat on the company's board, was obtained from questions 27, 29 and 30 in the company questionnaire. This was then supplemented by an examination of personnel-related decisions within each organisation from both the company questionnaire (questions 28 and 31) and from interviews with the senior manager. Taken together, these collection instruments added a further depth to earlier measures concomitant to the multiple indicator approach. In this way the data could assess whether a manager responsible for personnel matters, who also has a seat on the company's board, perceives that he or she was able (or not) to influence HR strategy.

SUMMARY STATISTICS FOR HR STRATEGY - ALL COMPANIES

Tables 2:1 to 2:4 in appendix two show the breakdown of evidence for each organisation for all indicators of HR strategy. The sum of each measure is then translated into a score out of 100, where a zero score indicates a reactive (minimalist) HR strategy, and a score of 100 denotes a highly proactive (maximalist) strategic orientation. Table 7.2 is a summary of the overall findings for each company in rank order; also explained in table 2:5 in appendix two.

Table 7.2 - Summary Statistics for Strategic Qualities

Company	Index Score
Delivery Co.	73
Merchant Co.	30
Chemical Co.	23
Water Co.	3

Score out of 0 - 100, where 0 = reactive HR strategy, and 100 proactive HR strategy

As can be seen, Water Co. displays the least and Delivery Co. the most strategic orientations to managing employees. This is not to say Water Co. has no strategy. Rather, that any strategy is considerably less employee-centred and therefore implies that labour is viewed more as a factor of production in relation to other companies studied. Interestingly, only Delivery Co. shows a positive deviation from the mid-range.

It was suggested in chapter two that these strategic orientations offer some clues as to whether the relationship represents a union ‘suppression’ or ‘substitution’ approach. Intuitively, a reactive HR strategy toward employees could indicate a union ‘suppression’ approach on the part of management, whereas a proactive strategic orientation suggests a form of union ‘substitution’. In other words, the greater degree of strategic focus in the relationship, the greater the possibility that a combination of relatively sophisticated approaches are used in making and modifying the relationship to avoid unionisation.

From table 7.2 above, this would suggest that Delivery Co. adopt a union ‘substitution’ approach while at both Water Co. and Chem Co. there is some union ‘suppression’. Merchant Co., with a score nearer to the mid-point, could combine elements of both ‘suppression’ and ‘substitution’.

What can also be noted are the dis-aggregated details revealed in tables 2:1 to 2:4 (see appendix two). That is, both Delivery Co. and Merchant Co. have a separate personnel department which may account for their relatively higher score on this index. However, the existence of a personnel manager/department at these two establishments does not mean that in other companies there is no one who could influence matters at a senior-level. For instance, the roles of the Operations Director at Chem Co. and Personnel Director at Delivery Co. are largely similar, despite different job functions. Both have a facilitating and persuading role at board level and both are extremely confident that their proposals are passed without much questioning from other board members, regardless of their lack of voting rights on the board itself.

In contrast, senior parallel roles at both Water Co. and Merchant Co. are significantly different. In the former the Chief Executive does little more than (infrequently) report to the board, although he has a great deal of autonomy in deciding employment matters for UK-based operations. In contrast, at Merchant Co. there is a senior Personnel Manager and a personnel department, yet there is no link to board level decisions. These differences suggest that it is not the presence of personnel specialists at board level *per se*, but rather the actual role of key actors in strategy formation, which suggests that the overarching concept of role theory discussed in chapter two is an important determinant, to which analysis in the respective case study chapters will return.

DIMENSION 3: TRUST

Trust expresses the vulnerability of one party to the other. Conceptually, where one group of actors fulfil its obligations to the other party, and expects

the other party to honour its respective cost-benefit obligations, this can be used to infer the extent of trust. As such, a combination of measures were used to assess trust between the parties in each organisation. These were:

- i) measures of institutionalised trust (or mis-trust).
- ii) the extent of supervisory control over work design and work-related tasks.
- iii) empowerment and the potential subordination of employees.

The precise data collection instruments and measuring framework for trust is more fully described in table 3, appendix two.

INSTITUTIONALISED TRUST: This was assessed in two ways using data in the company questionnaire. The first used a set of indicators to assess whether certain practices were embedded in each organisation, from which it could be inferred whether management view employees as ‘trustworthy’ or not. In the context of this research, the questions of interest ask whether management use ‘union-checking devices’ against prospective employees (questions 19 and 20). Answers in the affirmative, on a scale of 0 - 6 [2], would indicate less trust toward employees. The second way possible institutionalised trust was measured, was by assessing the focus and range of managerial control practices used within the relationship; for instance, discipline to modify behaviour, job security/insecurity and working hours. Responses to questions 33 (a, e, h, i & j) in the company questionnaire provided evidence of these practices.

WORK DESIGN: Two combined indicators were used to examine work design as a measure of trust, and these draw on evidence both from the company and employee questionnaires. On the employer’s side, question 17 asked whether

there were key aspects of the relationship that management perceived to exist because of an absence of unions. For example, paying lower wages, fewer fringe benefits and greater managerial freedom in making and modifying the relationship (appendix one, part 2). In short, these indicate the extent to which one party sought to gain an advantage at the other party's expense.

From the employees side, information was obtained on the extent of supervisory control over day-to-day work-related activities. The aim was to obtain an indication of the extent of low discretion roles, from which employees could perceive that management did not fully trust them, which in turn has been shown to result in reciprocal trust or mis-trust (e.g. Fox, 1974; 1985). In other words, if employees expect management to take advantage of them, the same pattern of behaviour could be expected in the opposite direction. This information was derived from factor 3, labelled work design/control, in appendix three (six separate questions, 39a, b, c, d, e g; appendix one, part 4).

EMPOWERED TRUST: Again two indicators were used: one from the company interview schedule and the other derived from the employee survey, which is based on factor 8 (labelled subordination) in appendix three. Both of these sought to examine what may be regarded as different elements of 'intrinsic' work-related opportunities. Factor 8 examines whether there is a degree of empowerment in relation to task autonomy among employees, or whether the latter perceive they are in a subordinated role. In short, the criteria for 'empowered trust' illustrates the degree to which management could (or could not) police the workers' fulfilment of cost-benefit obligations.

² This is a Likert-type scale, re-coded from 1-7 to 0-6 for consistency

SUMMARY STATISTICS FOR TRUST - ALL COMPANIES

The sum of all measures from the above indicators were weighted into an index score, the extremes of which were 0 and 100. Low scores reflect a low-trust relationship and high score a more trusting relationship. Tables 3:1 to 3:4 in appendix two provide a breakdown of measures for each separate organisation, and table 7.3 below gives a summary of the overall index score for each company in rank order, with further details in table 3:5, appendix two.

Table 7.3: Summary Statistics for Trust

Company	Index Score
Delivery Co.	68
Chem Co.	67
Merchant Co.	43
Water Co.	37

Score is 0 - 100, where 0 = low-trust and 100 = high-trust relationship

As table 7.3 shows, in relative terms, Delivery Co. demonstrates the more trusting relationship, while Water Co. the least. Of all four companies, two (Chem Co. and Delivery Co.) have a very similar index and are located on the higher-trust side of the continuum, while Merchant Co. is close to the mid-range and Water Co. much clearly on the low-trust side.

However, it must be pointed out that, as with other dimensions of the relationship, these measures for trust do not represent an *interval* scale, in which there is a measurable difference between the scores. Thus table 7.3 is no more than a summary description of the relative position of the companies in a hierarchy. That is, the measures give an indication of more or less trust, but these do not imply that Delivery Co., for example, has a relationship that is one-and-a-half times more trusting than that for the Merchant Co. or the Water Company.

It is therefore the detailed and dis-aggregated data that reveals a more comprehensive picture on the construct of trust (tables 1:1 to 1:4 in appendix two). While Delivery Co. and Chem Co. appear to have a more trusting relationship, this may be due to their respective scores for institutionalised trust than is the case for either Merchant Co. or Water Co. However, some caution is required in making this inference because much of the data is compiled from managerial responses alone. To minimise the potential of respondent bias, the data from workers was also examined.

To this end employee responses indicated that the idea of trust portrayed by management is less evident. For example, employee responses demonstrated negative attitudes about both the extent of supervisory control (factor 3) and subordination (factor 8). Indeed, only employees at Delivery Co. show a positive deviation to factor 3 (control), while workers across all four companies make the judgement that they are party to a subordinated relationship (factor 8).

Qualitatively, there is also a significant degree of differentiation among occupations and between organisations. For example at Chem Co., technical employees enjoyed a greater degree of empowerment in their tasks than did process operatives, who were subject to more bureaucratic forms of supervision. This could imply that because certain workers possessed a degree of knowledge and skill over the labour process, management had to rely on technically qualified workers to a greater extent (many of whom were educated to post-graduate level).

Notwithstanding this point, there are further complexities and contradictions with regard to trust and occupational differentiation across the companies

studied. At both Delivery Co. and Water Co., for example, management believed that they had to keep a more 'watchful-eye' on certain workers (Couriers at Delivery Co. and distribution staff at Water Co.), which would imply less trust. Interestingly, these are very similar occupations in that employees spend a significant proportion of the working day away from any immediate supervision. However, for other workers, where there was less managerial surveillance, for example among technicians at Chem Co. or clerical staff at Merchant Co., there was no immediate evidence of workers using their position to gain a tactical advantage over management.

There are also additional indications from the dis-aggregated data in tables 1:1 to 1:5 (appendix two). Significantly, management appeared to be less trusting towards those employees whose day-to-day work activities were beyond immediate managerial supervision, such as Couriers at Delivery Co. or distribution staff at Water Co. The common finding is that owing to the nature of work for these groups of employees, many of them spent a significant proportion of their working day at a distance from the workplace, which made surveillance more difficult for management. At Water Co., the Chief Executive commented:

“It goes in this kind of format, first is distribution and then sales, then processing and then the admin. and finance staff, and if you work down that list the supervision gets more relaxed I suppose it's knowing who to keep an eye-on, and distribution and sales are top of that list”

At Delivery Co., a similar theme was evident from the personnel manager:

“... we do play on the humour a lot to make our service a very warm, customer friendly service people do things off their own bat in that situation. But we need to survive, and that often means pushing deadlines to stay ahead in this game, which I’m afraid doesn’t allow the luxury of freedom”

And at Merchant Co.:

“There is a lot of closed off issues here in many ways we’re a pretty old-fashioned company ... That tends to mean there’s not much freedom In 20 years we’ve always carried the message that the rules are important and should be used”

Other managerial signs of trust and mis-trust were also evident in disaggregated data. At Merchant Co., for instance, management believed it was important to employ ‘union-checking devices’ against prospective employees in comparison to other companies. For these workers there was also the use of managerial control practices, such as discipline to modify behaviour, which would imply management police employee behaviour to ensure it obtains the benefits it desires. To varying degrees, the latter was also evident at Delivery Co., Water Co. and Chem Co. The implication is that, in the main, management did not have a great deal of trust in employees. This picture is largely compatible with employee attitudes towards supervisory control and subordination (factor 3 and 8 respectively, appendix three).

One of the more important implications from these summary findings is that while Delivery Co. and Chem Co.’s index, for example, implies more trust than is evident for the other two firms, it is probable that the data is reflective of differing degrees of medium to low-trust, rather than a high-low trust continuum in the absolute sense. It is equally important to note that the

combination of measures used provide an indication of trust which differed both between and within each organisation.

DIMENSION 4: FORMALISATION

Having discussed in chapter two the nature and scope of formality and informality as one important dimension of the relationship, the underlying indicators used to explore the extent of formalisation in each organisation were:

- i) The formality that exists in terms of written procedures for key aspects of the relationship; in particular, the depth of formality indicated by rules.
- ii) The approaches and perceptions of the parties to the relationship in terms of formal or informal interactions.

The data collection instruments are fully described in table 4, appendix two.

FORMALISATION/DEPTH OF RULES. Here a dual framework was used to examine the potential existence of formality as defined by the structural processes that existed. Those selected were examined by key proxies, derived from the responses to the company questionnaire (questions 32m&p, 40, 41). The second aspect utilised a content analysis of company documentation with respect to rules; for example discipline and grievance handling, which used a scoring framework that quantified the depth of these rules. To do this, ACAS codes and health & safety regulations were used as benchmarks against which the content of rules and policies were evaluated. That is, the greater the 'existence' *and* 'depth' of a policy, the more this was taken to be a formalised aspect of the relationship.

FORMALITY OF APPROACH. The perceptions of both management and employees to formality and informality were tapped separately. For management, measures were derived from the company questionnaire (question 42) and complemented with interview data. Here, the senior manager for each company was asked to comment on the extent to which discipline and grievance is handled informally or formally (0 to 6 respectively), coupled with an explanation of how change in the relationship is approached. For employees, two questions (32 and 33) from the employee survey were used. These ask about ‘getting-on with management’ and a ‘willingness to work harder’. These two statements factored together quite strongly to give factor 7, labelled as employee ‘perceptions of inter-personal, informal and face-to-face relations’ (see appendix three). On this a low score, on a scale stretching between 0 and 12, indicated a positive attitude toward informality and a high score a more formal approach.

SUMMARY STATISTICS FOR FORMALISATION - ALL COMPANIES

As with other dimensions, an index score of 0 to 100 was devised. A low index score indicated informality and a high score a greater propensity for a formal approach. Tables 4.1 to 4.4 in appendix two provide a break-down for each company. Table 7.4 below is a summary of the overall index score for each company in rank order of formality, with more detail shown in table 4.5 in appendix two.

As can be seen, Chem Co. shows the highest degree of formality while Water Co. is the least formal. It can also be seen that the differences between all companies were marginal. Chem Co. and Merchant Co. were both located on the mid-range, while Delivery Co. and Water Co. are both on the informal side of the scale, albeit to different degrees.

Table 7.4 - Summary Statistics for Formalisation

Company	Index Score
Chem Co.	51
Merchant Co.	50
Delivery Co.	46
Water Co.	30

Score out of 100, where 0 = informal and 100 = formal approaches

Using dis-aggregated data, it is interesting to note that Chem Co. did *not* have the greatest scope of formal structures, despite its relatively higher index score (see tables 4:1 to 4:4 in appendix two). It fell short in terms of an equal opportunities procedure, which was evident at both Delivery Co. and Merchant Co. In terms of the depth of formalisation, Delivery Co., Merchant Co. and Chem Co. scored much the same on these dis-aggregate indicators of the dimension formalisation.

This appears to suggest the relatively higher index score for Chem Co. is more a figment of the perceptions of management and employees. That is, management believed that discipline and grievance were approached in an extremely formal way (maximum score of 6). However, this is by no means certain. For example, during the interview process it was revealed that management relied on their 'memory', rather than detailed disciplinary records of employee behaviour. Indeed, one worker commented that he had received a 'final warning', and although he knew this was not kept on any file in the company, he did not question management's ability to recall the situation if necessary. Thus for management, the fact that disciplinary hearings take place appeared to equate with formality, even though records are not kept; a practice that falls short of the ACAS recommendations.

For employees at Chem Co., there was an overall perception of informality, but less so than that articulated by employees in other organisations. Here there was a score on factor 7 of 4.00 (perceptions of inter-personal/informal relations derived from appendix three), which suggests support for informality with management rather than an image of formality (positive deviation of 2, on factor scale of 0 (informal) to 12 (formal) [3].

Additional dis-aggregated measures show that no company had a formal job security policy. Moreover, where there was an equal opportunities policy, it was extremely weak and often little more than a statement in the staff handbook. Similar patterns emerge for discipline, grievance and health & safety across all organisations (tables 4.1 to 4.4 in appendix two).

These matters raise an important distinction, between the existence of what appeared to be formal structures (which could be taken to indicate formality in the relationship) and the policing and implementation of the policy in practice, which is evidently weak on most occasions. With the exception of Merchant Co. for disciplinary guidelines and Chem Co. for health & safety documentation, all companies fell short of either (or both) the ACAS Approved Codes of Practice, or various health & safety legal standards. For example, most organisations informed the workforce about individual 'employee' health & safety duties, but failed to outline the more detailed and legally binding 'employer' obligations. Again, excluding Chem Co., there was a clear absence of European H&S Directives which have been incorporated

³ Factor 7 for other firms is: Water Co. (mean 2.12: informal deviation/perception of + 3.88)
 Delivery Co. (mean 2.54: informal deviation/perception of + 3.46)
 Merchant Co. (mean 3.58: informal deviation/perception of + 2.42)
 Chem Co. (mean 4.00: informal deviation/perception of + 2.00)

into British law over the past 10 years; for example, risk assessments on work carried out, display screen equipment regulations or manual handling guidelines.

These complexities, similarities and differences cannot be explained by quantitative analysis alone. Thus on the one hand there can be reasonable confidence that there were some differences between firms, which is an indication of some degree of structure in formal and informal approaches. However, these differences cannot really be understood or explained without reference to richer, more qualitative case study data, which taps the processes which influence these dimensions of the relationship.

DIMENSION 5: DISCRETENESS

The variable discreteness expresses two related attitudes of ‘them and us’ among employees. Discreteness was discussed and defined in chapter two, where it was suggested that ‘them and us’ attitudes involve ‘perceptions of a division between employees and management’ as well as a degree of ‘identification with groups whose interests conflict’ with those of management. Taking this as the theoretical starting point, in this study the term discreteness is used to capture two related ways of viewing ‘them and us’. These are:

- i) Attitudinal Discreteness, which is concerned with attitudes towards management.
- ii) Behavioural Discreteness, which involves an identification with trade unions, whose interest are conflictual with management.

This twin-dimensional approach draws further strength from well-documented problems about measuring *relative* attitudes and perceptions (Child, 1970). To this end, both sets of employee attitudes about 'them and us' are used to examine two separate scales. From this an overall index of discreteness can be obtained from the summation of 'attitudinal' and 'behavioural' them and us.

ATTITUDINAL DISCRETENESS. As was explained in chapter two, this is a set of values which may (or may not) be internalised by employees as an endorsement of organisational and/or managerial beliefs. That is, employees with low 'them and us' attitudes identify with out-group (management) goals. A combination of statements in the employee survey were designed to tap these attitudes. For example, a 'belief in management', 'employee involvement', 'commitment' and 'communications'.

BEHAVIOURAL DISCRETENESS. In chapter two this was explained as one way to examine whether employees identify with trade unions as institutions whose interests conflict with managerial goals. It was also suggested in chapter two, that employees within a non-union relationship may well support managerial/organisational values because of the very absence of an organised voice. In short, workers may have little alternative but to demonstrate support for the organisation because they lack the mechanisms to voice dissent. This was less eloquently suggested as a 'put-up and shut-up' (i.e. behavioural) situation. Again using the employee survey, a number of statements about 'trade unions' were posed and respondents were invited to express their agreement or disagreement.

However, it should be noted that these scale items were based on what can be termed *face validity*. Thus any distinctions between attitudinal and behavioural

‘them and us’ are based on theoretical justifications alone. To explore this further a factor analysis was conducted to assess the ‘harmonisation of measures’ (Campbell & Fiske, 1959; Bryman & Crammer, 1994). This sought to establish a *construct validity* to the dimension discreteness. The results are reproduced in full in appendix three.

Factor 1 (labelled attitudinal them and us) contained eight statements with high factor loading, all of which fell within the definition of attitudinal discreteness. Similarly, factor 2 contained seven statements, all of which tapped employees values about trade unions, which represents a valid measure of behavioural discreteness, as it is defined here. As with other dimensions, a weighted index of 0 to 100 was devised for consistency and comparison.

SUMMARY STATISTICS FOR DISCRETENESS - ALL COMPANIES

Tables 5:1 to 5:4 in appendix two show a more detailed breakdown between attitudinal and behavioural discreteness. For attitudinal discreteness, a score at or above the mid-point of the index (50) indicates support for managerial values and thus some degree of identification with the values of the out-group (e.g. less ‘them and us’ attitudes between workers and management). In contrast, on the behavioural discreteness scale a *low* value implies support for trade unionism, suggesting more of a ‘them and us’ perception. Since the two scales work in the opposite direction, for simplicity, the behavioural ‘them and us’ scale was re-coded so that responses give a measure that is in the same direction as that for attitudinal ‘them and us’. Thus a high mean value on both scales is an inference of ‘them and us’ in the employment relationship.

Table 7.5 is a summary of the overall index for each company with their respective rank order. This is also shown in table 5:5, appendix two.

Table 7.5: Summary Statistics for Discreteness

Company	Attitudinal Discreteness	Deviation	Rank Order ^a	Behavioural Discreteness	Deviation	Rank Order ^a
Delivery Co.	57	- 7	4	63	+ 13	4
Water Co.	62	- 12	3	71	+ 21	3
Chem Co.	83	- 33	2	82	+ 32	1
Merchant Co	84	- 34	1	72	+ 22	2

For each scale, score out of 100: 0 = low them & us; 100 = high them & us.

a: Rank order from greatest to least extent of discreteness.

In one way, table 7.5 suggests that employees across all non-union firms expressed a significant measure of ‘them and us’ using both scales for discreteness, although there are some important differences. Delivery Co. had the least level of ‘them and us’, characterised by the lowest negative identification with managerial values and lowest positive identification with trade unions. Merchant Co. was ranked top with the greatest extent of attitudinal ‘them and us’, although Chem Co. workers displayed the highest identification with trade unions. Water Co. was ranked third on both the attitudinal and the behavioural ‘them and us’ scales. Overall, it appears that workers at Delivery Co. identify with their out-group (management) to a greater extent than workers in the other organisations.

When viewing the column for behavioural discreteness, the most striking observation is that all employees showed a different, but nonetheless positive identification with trade unions. As for explanations and a deeper understanding, relevant themes and issues will be addressed in the respective case study chapters.

The overriding purpose of these brief descriptive results is to indicate the relative degree of ‘them and us’ in the organisations studied. Although the distinction between attitudinal and behavioural discreteness is an important one, the scales can be merged to give an aggregate indication of discreteness,

by adding each index score and dividing by 2. This is shown in table 7.6, which is reproduced from appendix two.

Table 7:6: Summation of Discreteness - All Companies

Company	Overall Discreteness Index	Deviation	Rank Order ^a
Delivery Co.	60	+ 10	4
Water Co.	66	+ 16	3
Merchant Co.	78	+ 28	2
Chem Co.	82	+ 32	1

Score out of 100: 0 = low them & us; 100 = high them & us.

a: Rank order from greatest to least extent of discreteness.

The deviations represent the extent of 'them and us' between the parties. The higher the index score, the lower is the level of employee support and identification with managerial values and the greater the level of identification with trade unions.

Interestingly, this raises a number of questions and issues concerning non-union employee relations from a social exchange perspective. For example, if employees in non-union firms are supportive of unions generally, and negative about managerial values, why do they not unionise?

One tentative explanation could be located in respect of the constituent properties of both social exchange and role theories, in which there are a number of situational and agency properties. For instance, employees would need to perceive some sense of injustice *and* blame another party, such as management (Kelly, 1997; 1998), in order to trigger possible unionisation. Furthermore, notions of *relative deprivation* (Runciman, 1966) could illustrate much clearer employee perceptions about the way the employment situation is rationalised, workers' perceptions of trust, identification toward management, trade unions and also in relation to cost-benefit evaluations (Blau, 1964).

Another tentative explanation could be that employees may accept that they are party to a subordinated (even exploitative) relationship which can be understood in relation to role theory discussed in chapter two. Alternatively, employees may not unionise, despite an identification, simply because the opportunity to do so may not have presented itself.

SUMMARY: THE FIVE DIMENSIONS OF THE EMPLOYMENT RELATIONSHIP

This chapter has traced each organisation using a combination of indicators for each of the chosen dimensions of the employment relationship separately. As stated in chapter two, there is likely to be overlap between these dimensions and one way to illustrate this is to compare and contrast organisations in terms of their relative position along the five dimensions. This is shown in table 7.7 below, from which a number of points can be made.

Table 7.7: Dimensions and Index Scores: All Companies

Dimension	Organisation			
	Water Co.	Chem Co.	Delivery Co.	Merchant Co.
Regulatory Approaches <i>High Score = Joint</i>	24 (4) <i>Unilateral</i>	48.6 (2) <i>Mixed</i>	55 (1) <i>Joint/Mixed</i>	33.4 (3) <i>Unilateral</i>
HR Strategy <i>High = Proactive Strategy</i> <i>Low = Reactive Strategy</i>	3 (4) <i>Extreme Reactive</i>	23 (3) <i>Medium Reactive</i>	73 (1) <i>High Proactive</i>	30 (2) <i>Medium Reactive</i>
Trust <i>High Score = High Trust</i>	37 (4) <i>Low Trust</i>	67 (2) <i>Medium/High Trust</i>	68 (1) <i>Medium/High Trust</i>	43 (3) <i>Medium/Low Trust</i>
Formalisation <i>High Score = Formality</i>	30 (4) <i>Low Formality</i>	51 (1) <i>Medium Formality</i>	46 (3) <i>Med/Low Formality</i>	50 (2) <i>Medium Formality</i>
Overall Discreteness <i>High Score = Them & Us</i>	66 (3) <i>Med Them & Us</i>	82 (1) <i>High Them & Us</i>	60 (4) <i>Med Them & Us</i>	78 (2) <i>Med/High Them & Us</i>
Attitudinal <i>High Score = High Attitude</i>	62 (3) <i>Mixed Attitude</i>	83 (2) <i>High Attitude</i>	57 (4) <i>Mixed Attitude</i>	84 (1) <i>High Attitude</i>
Behavioural <i>High Score = High Behaviour</i>	71 (3) <i>Med Behaviour</i>	82 (1) <i>High Behaviour</i>	63 (4) <i>Med Behaviour</i>	72 (2) <i>High Behaviour</i>

(Rank order for each company in brackets, from greatest to least extent of each dimension)

First, there is an underlying pattern to the positioning of organisations. For example, where Water Co. show a more unilateral approach, there are also signs of a reactive HR strategy and lower trust within the relationship. This ‘patterning’ is also evident for Delivery Co., in that less unilateralism is accompanied by a relatively greater degree of trust, proactive HR strategy and a lower incidence (but not absence) of ‘them and us’. These positions tend to suggest the dimensions are not totally discrete but, to some extent, interconnected. Here, the size of organisation might be a partial explanation. Delivery Co., which is by far the largest organisation, has a more sophisticated approach, while Water Co., which is the smallest, has a less structured (i.e. minimalist) relationship.

Secondly, the positioning of each organisation offers a better insight into potential relationship typologies, as discussed in chapter two (figure 2.1). Thus Water Co. appears to resemble an exploitative type approach in making and modifying the relationship, perhaps as a form of union ‘suppression’. In contrast, Chem Co. displays some pseudo-participation features, while Merchant Co. combines management as leader and manipulative characteristics. Delivery Co. is almost certainly located towards the opposite end of the continuum, combining pseudo-participation and partnership approaches, perhaps indicating forms of union ‘substitution’. However, none of these fits perfectly any single type of relationship (perhaps with the exception of Water Co. as exploitative). This is feasible when it is remembered that the employment relationship is the subject of complex, dynamic and polar opposites, which are likely to vary both at different points in time and due to a multitude of external influences.

Finally, it is worth stressing these findings do not offer any explanation or analysis as to *why* these relationships exist. Thus while it is possible to tentatively position each organisation and gain useful insights into the nature of the employment relationship in each one, explaining *why* this is the case needs a deeper analysis of independent factors located within the broader organisational context; that is, the indeterminate nature of the exchange relationship and the coexistence of antagonism, conflict and co-operation between the parties. This is the task of the following four chapters, each of which deals with these matters for a specific organisation.

CHAPTER EIGHT

WATER CO

A CASE OF UNILATERAL IMPOSITION

INTRODUCTION

This chapter commences with a brief review of the main features used to characterise the employment relationship for Water Co., which were given in full in chapter seven. From this, an examination of the possible sources of influence on making and modifying the relationship are examined and described in the following order:

- i. External Factors, including possible influences from state policy, legislation, the type of technology used and the market environment.
- ii. Structural Factors, including size and foreign ownership as an influence.
- iii. Personnel Factors, specifically deeper explorations of management style and employee voice.
- iv. The prevailing employee relations climate at Water Co.
- v. Employee Attitudes toward management, unions, the company and work experiences.

WATER CO.: EMPLOYMENT RELATIONSHIP OVERVIEW

Along the five dimensions used to explain the employment relationship, Water Co. ranked lowest for four of these dimensions: regulation, HR strategy, trust, and formalisation. For the final dimension, discreteness, Water Co. was ranked third out of all four companies. Taken together, these characteristics were used to identify the employment relationship as one which displayed the hallmarks of exploitative relations as described in chapter two. The aim of this chapter is to build on these results by examining potential influences on the relationship.

EXTERNAL FACTORS

GOVERNMENT POLICY AND LEGISLATION

The data on whether managerial approaches toward the employment relationship were influenced by the anti-union climate promoted by former governments was examined in several ways. The results are given in what follows.

In the company questionnaire, two related questions asked respectively the extent to which management believed the non-union status of the company was an advantage for implementing employee relations changes (Q47), and whether such changes were perceived as being easier resulting from employment legislation introduced over the last 15 years (Q48) (see appendix one, part 2). On a scale of 1 (definite advantage) to 7 (definite disadvantage), Water Co. were located toward the extreme 'advantage' end for both questions; a score of 2 and 1 respectively. In short, according to managerial respondents, the non-union status was buttressed by a wider industrial relations climate originating from government policy and legislation.

At a deeper level, interview data was obtained from the Chief Executive as well as employees. For the former, experiences of trade unions were related to a personal and professional background which led to a favourable disposition towards state policies. For example:

"My gut feeling is against unions ... if there was poor weather conditions I've known situations in [another] business where for example it was snowing. The drivers would all refuse to go out. Now everyone manages to get to work, and drive to work, and the whole country still operates, but we would have to go through a days negotiation with them and the truth is that that facility was used as

an excuse not to work for that day, and that type of thing in a business like ours would be just crippling”

(Chief Executive, Water Co.)

The Chief Executive later commented:

“It may well be that some time in the future we need to recognise that we may have to deal with trade unions as we’re growing. I mean we can’t isolate ourselves from the rest of the industrial world, but my personal experience is that it’s no good having the unions and I came from a very union background. But at least if we face that in the future, there’s a lot of developments and laws now which would stop the bloody-minded stupidity which use to happen in the 80s”

At another level, several respondents referred to ‘implicit’ rather than ‘explicit’ managerial practices which were derived from specific legal aspects which served managerial advantages. For example, both the Chief Executive and a number of employees were quite clear that it was common practice at Water Co. for workers to be scrutinised when approaching two years service. If their *“performance or general attitude”* gave cause for concern, they would be dismissed. The Chief Executive expressed his personal view that he believed workers had *“too many rights”* [1] under existing statutory legislation. The comments by one employee at the company’s distribution centre were similar to those expressed across the organisation:

“if you get sacked ... that’s it. They say it. You leave. Sometimes someone down here [i.e. Tewkesbury] says something about it, but not really ... Lads come and go here all the time”

¹ The reference to ‘workers rights’ was a phrase used by the Chief Executive in relation to legal protection for unfair dismissal under the Employment Protection (Consolidation) Act 1978, as amended under the Employment Acts 1980 and 1982. In other words, employees have to be in continuous employment for two years or more to be entitled to claim unfair dismissal. Management saw this as an advantage to dismiss employees who fell under the two year rule.

Additional data suggests that employees were easily disposable. This fits the overall image supportive of state policy at the time. For example, 62% of employees believed their job was 'insecure' and 64% did not see a 'career path' with the company (Q47 and 29 in the employee survey; appendix one, part 4). Biographic data was also found to fit this trend with an extremely young workforce. Over 75% were aged between 21-30 years of age; 8% between 16-20, and 16% were aged over 40. Furthermore, 51% had been employed for less than one year, 38% between one and three years and a further 11% between four and seven years (see appendix W8). It is significant that no single employee had been employed at Water Co. for the duration of the company's relatively short history, just over 10 years at the time of the investigation.

Finally, respondents reported that there was an extremely high labour turnover rate, in excess of 100% for some employees (delivery drivers and process operatives). This is all the more significant given the evidence reported by one supervisor in the bottling plant, that it was common practice to 're-employ workers a few weeks after being dismissed', thereby suggesting the prime motive was to break the two year continuous employment rule.

In summary, while there was no direct evidence of management using specific legislation to suppress unionisation or maintain a non-union relationship *per se*, the more significant influence is that the prevailing political and legal climate appeared to shape the perceptions of an increasingly self-confident management.

TECHNOLOGY

At one level, the company questionnaire asked the extent to which each company had invested in technology over past few years (Q46), and Water Co. reported a low orientation to technology with a score of 6 [2], which was subsequently confirmed from interviews with the Chief Executive. For example, the major area of capital investment for the company was the leasing of fleet vehicles for deliveries, and a new telephone/IT system for the customer call-centre department. Further, when visiting the processing plant in Derby and subsequent interviews with supervisors, it was evident that machinery for the bottling of mineral water was somewhat dated. One supervisor commented that the same machinery had been in place during his time with the company, over 6 years.

Notwithstanding this low investment in capital equipment, as Child (1972) suggests, technology has the capacity to control employee effort within the relationship and evidence for this was obtained in a number of ways. First, despite the dated equipment for the bottling of water, the technical aspects of this work had the potential to control employee effort. Briefly, the bottling of mineral water was performed by a continuous processing system, in which employees were situated at different phases. This comprised empty bottles passing through a series of activities, culminating in complete bottles filled with mineral water, with the tops secured. The final stage was the packaging of bottles, either into cartons or individually shrink-wrapped, which was a manual operation conducted at the end of the production process. The key factor which suggested that this technology could influence the relationship was that

² 1 = definite increase in technology to 7 = no increase in technology.

production dictated the speed of employee effort, which was controlled by supervisory management.

However, observation at the processing plant revealed that while a number of employees occasionally stopped work outside of break times, there was no immediate concern expressed by supervisors. This suggested that while technology 'could' control effort, this was not always used to its full potential by management. When enquiring about this, one employee commented that:

“well, they just leave us to it really. If you need a piss, then you need a piss, that's that”.

Data was also gathered from interviews and observation about whether technology had any influence elsewhere in the organisation. One important area was the use of technology in a customer call-centre at Water Co's head office. Here, it became clear that these workers were subject to a greater degree of technological control, partly owing to the interface between company and customer and partly owing to the technology, which resulted in both a physical as well as a social division of labour. This was a small department of approximately 15 staff, who worked on individual stations which consisted of a computer terminal and a telephone head set. An electronic message board was displayed at the end of the office, which informed all employees how many customer calls had been answered, how many were 'on-line' waiting and the overall percentage rate of calls answered. This telephone/IT system was the most extensive technological investment for Water Co., from which a number of employee relations issues emerged.

To begin with, the nature of work meant that employees worked in almost total isolation. For example beyond the computer screen workers could see one of two things: a partition screen which prevented any contact with co-workers and the large electronic message board which flashed a “team success rate” across the room. A second issue that existed in this department was a greater degree of bureaucratic supervision. For example, employees had little opportunity to leave the work station in comparison to process operatives in the production facility, mainly because the supervisor sat in close proximity to employees, ensuring employees could not speak to one another. Telephone calls were recorded and randomly listened to by both supervisors and senior managers.

In relation to the impact of this technology, one employee commented:

“..They say it’s better with the new computer system, but it’s not ... We’re seen as the ones who can make the real money cos we sell the stuff and speak to the customers all day so they always want to screw yeah”

Furthermore, the use of this technology meant the nature of work was highly regulated. For instance, an ‘average’ of three minutes was allowed for each telephone call, which included 45 seconds to type one sentence about the customer’s query on screen. Once a telephone call had been completed, the computer-operated telephony system gave a 50 second delay between answering the next call and closing the customer’s account details on screen. Hence the 45 second time lag to type one sentence before the account details disappear from the screen (an automatic operation when a call has been terminated), and the next customer in line to be put through (again, an automatic operation when the previous call had been terminated). In short, within 50 seconds of ending one

telephone conversation, the next call was automatically fed to the nearest operator, while the computer screen re-set itself ready for the next input.

In summary, at one level Water Co. had a low investment orientation to technology. Plant and machinery was dated and the major piece of technology was a new telephony system. None of these sought to substitute machinery for labour - in fact, the number of employees had increased in the call centre. However, the uses to which technology was put symbolised a degree of influence on the nature of employment relations, although the impact tended to differ for particular occupations. At the bottling plant, for example, the use of technology as a control device was comparatively less intense than for employees in the customer call centre. One explanation for these differences is the nature of supervision and, as discussed below, the prevailing climate at separate sites. Customer call operatives were located at the head office, and were in close proximity to senior managers of the company. They also had to deal with customers direct, and could therefore influence company sales and ultimately profits in a more visible way.

PRODUCT & LABOUR MARKETS.

The products sold by Water Co. can be categorised under two headings. The first is small bottles of mineral water, typically 75ml and 150ml sized bottles, which are sold to the general public from retail outlets. Water Co. do not sell these products direct to end customers, but to wholesale distributors. The market for these is highly competitive, although it accounts for less than 20% of the overall business of the company. The second area is the main trading activity for Water Co., and is the sale and distribution of mineral water to commercial customers, mainly factories and offices who provide the product to their

employees or the general public. The water is sold in 22.7 litre bottles, and is accompanied by a water cooler dispenser which is leased to the customer. The market environment is highly competitive, and price and speed of delivery is regarded as a significant aspect of customer satisfaction. Water Co. responds to the vagaries of the market, which is highly seasonal and largely dependent on exogenous factors, such as hot weather, for the level of customer demand.

As explained in chapter six, Water Co. had experienced a turbulent period with impressive growth rates preceded by early trading losses, and the turnaround in business activity needs to be set against a highly competitive and volatile market. In 1993 Water Co. had experienced a change in ownership, was a loss making organisation and encountered rising competition in the market for its products. The Chief Executive attributed the turnaround to a number of factors. One was the 'head-hunting' of well-known sales representatives from acquaintances in the industry to widen Water Co.'s commercial base. Another was a series of desperate measures to satisfy shareholders and new owners; in essence, to raise financial capital to keep the organisation afloat. The Chief Executive explained:

“the decision - my decision - was taken to sell what we could. There were two immediate priorities then; our people had to be paid and [the president] wanted to see some radical change. The whole vehicle fleet went off to auction. It's worth was about £1.2 million, less than 2 years old. We got £60,000 for it ... The next day I leased rather than purchased a similar fleet”

The subsequent turnaround in terms of commercial success for Water Co. occurred immediately after these measures. There was a rise in market demand, which not only assisted the company's commercial fortune, but also introduced a large number of competitors given the relative ease of market entry. The Chief

Executive described other competitors who are almost 'virtual organisations' in the market. Their water is supplied and processed by contract agencies. Distribution is similarly arranged by road haulage contractors and customers are often poached by price cutting.

The most influential market factor was identified as price, rather than the quality of water. Numerous respondents referred to the natural properties of the water sold by this company, which was believed to be much superior than that offered by many other competitors. However, customers would be persuaded by price rather than anything else. It was also believed that market pressures were a highly significant aspect in terms of the employment relationship:

“the market has grown very rapidly and the race is on for people to head the market up and lead the market within the next few years, and I think the market leaders will be those offering a quick service at low cost. Those who can't cut the cost will be the ones left behind, and that's been our strategy for the past few years now”

(Chief Executive)

In addition to these product market factors, the importance of the labour market was identified as the ease or difficulty in recruiting and retaining suitable employees. On this issue, Water Co. had a very low strategic orientation. As mentioned above, the perceptions of government policy meant that employees were viewed as disposable rather than dependable. Many respondents spoke of people 'coming and going'. There was an exceptionally high labour turnover rate, and the Chief Executive did not regard an investment in labour as a particularly important issue:

Sometimes people that we would employ today who are qualified for the job doesn't mean they would be in 12 months time. Because the business is fast-moving and that much bigger now, we can't really afford to invest in people for the future .. we need to obtain them quickly and that means looking outside more than inside these days if we're to achieve market leadership"

There was only one example where external recruitment was difficult. This was explained with regard to the customer call centre manager. In effect, the company had invested in a telephony and computer system but without employing anyone who was fully competent in operating the technology to its full. Instead of training existing staff, the Chief Executive explained it was 'easier to poach someone' with those skills. The incumbent manager was poached from Whitbread's brewery, because he 'lived a few doors away' from another senior manager of Water Co.

In terms of both product and labour market influence on the processes within the employment relationship, several significant issues are raised by the evidence. The first is that those employees who could be described as essential for organisational success, sales reps and customer call staff for example, are often subject to a more subordinate role than other employees in the company, as evident in the contrast between head office and bottling plant workers. Ultimately, however, employees of all categories are easily disposable. A second important factor is the emphasis on product market price rather than quality, and this may be one explanation for the exploitative type of relationship identified in chapter seven. It would appear more convenient for management to look elsewhere than adopt what Marchington & Parker (1990) suggest is an 'investment orientation' toward existing employees. Arguably, the low level of trust, unilateral regulation and 'them and us' attitudes characteristic of the

employment relationship for Water Co. stem, in part at least, from competitive market pressures and the ease with which employees are frequently replaced.

STRUCTURAL ENVIRONMENT: SIZE, OWNERSHIP/NATIONALITY

Both objective and perceptual data were collected in several ways through company documentation and interviews. Factual information is essentially brief; that Water Co. is a multi-site SME with 120 employees, and is foreign owned by a joint American and Canadian organisation.

SMALL SIZE

As a small company, a number of contradictory issues emerged which can be related to the small, social setting characteristic of many SMEs (Bolton, 1971; Scott *et al*, 1989; Roberts *et al*, 1992). For example, qualitative data collected at the distribution centre in Warrington suggests that both co-operation and conflict were simultaneously present, which goes deeper than the systemic factors of unionisation or strike action. One significant factor was the cohesive relations which existed within a small work unit around a particular issue which emerged during the investigation.

Briefly, all employees at Warrington were in charge of a company vehicle of some sort; either a small van for sanitation engineers who serviced water coolers, or larger vans for delivery drivers. A decision was made at the head office that all employees could no longer use company vehicles outside of working time [3]. Consequently, employees were required to make their own travel arrangements to and from work. This was regarded as the removal of a

³ This was to lower insurance costs.

long established ‘perk’ by workers, and emergent behaviour and action was largely facilitated by a close-knit working identity among those at the site. For instance, the start times at Warrington varied between 6am and 8am, and the employees interviewed suggested there were ‘real and genuine difficulties’ getting to work on time. The site was located on a trading estate adjoining the M62 motorway, and the public transport that was available did not start until other retail outlets had opened for business in the area, which was later than official company start times. While some employees had their own transport, others did not, and reliance on public transport proved to be more disruptive for the company than it did for workers. One delivery driver explained:

“It wasn’t that we were deliberate, I mean we didn’t sit down and work out what we’d do. We had a good go at Kenny [supervisor] and let him know it was all shite. I suppose we just knew that if we didn’t give one another a lift, Kenny would have to sort something out.”

(Delivery Driver, Warrington)

In short, there was no formal dispute activated by employees to this new rule, other than ‘in passing’ to the site supervisor, that workers disapproved of management’s decision. However, subsequent action and behaviour was far from passive. What developed was an ‘understanding’ between workers (and possibly the supervisor) that their own actions of ‘not’ giving one another a lift to work, would be more disruptive to the company than it would to themselves. The supervisor also expressed his own personal view that the decision should not have been made, and when he had to report that deliveries were late starting, the ‘perk’ was soon restored by head office managers.

Similar close-knit identities were reported by other respondents, both process operatives and clerical employees in different parts of the company. However, as revealed below, there also existed a distinctive (and complex) climate which indicated that conflicts could ferment over time owing to the smaller social settings. Thus the evidence is not entirely consistent with a ‘small is beautiful’ view (Bolton, 1971).

OWNERSHIP

As a foreign-owned company, Water Co. supplied data on whether this had an influence on the relationship and evidence was collected from the Chief Executive through interviews. While Water Co. is US-Canadian owned, the Chief Executive suggested he had total responsibility for all commercial and employee relations matters. Business objectives were reported to the US owner and there were occasional board meetings at which the UK Chief Executive was answerable for company activities.

When asked about particular influences from foreign owners, the only reported example was with regard to the salaries of senior managers. The US-owner disapproved of offering, in the words of the Chief Executive, “*market competitive packages*” to attract senior managers with a strong “*career portfolio*”. In essence, the company’s head office intervened to reduce the amount of salary used to attract senior managers. When asked whether this caused any major difficulty in obtaining high calibre managers, the response was “no”, mainly because it had already been done, and intervention was post-hoc. Moreover, there did not appear to be an attempt to inject distinctive foreign practices in the UK operations. Further, changes toward a performance/commission based wage payment system (reported below) were

decided by the UK Chief Executive, without any prompting or seeking of approval from foreign owners.

However, less obvious evidence can be inferred from the sub-text surrounding this project itself, which also reveals some attitudes toward trade unions on the part of owners. As mentioned in chapter four, data concerning employee attitudes to trade unions could only be obtained by interview at this company. To briefly explain, after the author had negotiated access to the company and printed and distributed the employee survey, questions were removed that were designed to tap employee attitudes about unions. This occurred during the study, and when the author enquired about the change, it was explained that this happened while the owner was visiting the UK 'as questionnaires were about to go out'. The Chief Executive (somewhat apologetically) commented that it was the owner who noticed the bundle of questionnaires and asked what they were for. When the Chief Executive explained, the owner was reported to have said he wanted all questions about unions removed because:

"well, we don't want to give them [employees] any ideas?"

(Chief Executive)

In summary, it is probable that Water Co. act and behave largely independently of foreign ownership on most matters. The Chief Executive decides all issues and is answerable, often after the event, to the owner on matters such as employee pay as well as commercial decisions. Yet it also became clear that when the owner had a preference for something, this was carried out as requested. However, the impact and influence on the relationship can be less

pronounced. For example, while the owner wanted to remove the possibility of 'giving employees any ideas' about trade unions within the company, suggesting the company would prefer to remain union-free, the Chief Executive was extremely self-confident and less diplomatic about the matter. The author was informed that the information could be obtained from interviewing staff, and whether this would trigger unionisation or not "*didn't matter, because they weren't having one*" (Chief Executive). The principles which underlie this issue are not too different from what Galbraith (1973) describes as a 'technostructure', in that decision-makers have the capacity to consolidate their power positions within organisations which can often run against the grain of shareholder or employee needs and wants. This is also evident in terms of the impact of 'dominant actors' and the 'roles' they ascribe to themselves and others, which can be developed either informally or even unconsciously as a source of influence on the relationship (McCall & Simmons, 1966).

PERSONNEL FACTORS

MANAGEMENT STYLE

Water Co. was classified as having a particular managerial style, defined as opportunistic and *ad hoc*. This was derived from information gathered during earlier stages of the investigation using the McLoughlin & Gourlay (1994) schematic framework, and initial results were reported in chapter five. However, it was also noted that a deeper analysis was required to explore the extent of style through managerial intentions, custom and practice and employee experiences. For this reason, data was collected in several ways to capture actor interpretations and understandings of management style.

The first is a range of indicators to assess the 'scope' of managerial style, which can explain the low measures of formality in making and modifying the relationship. In chapter five, Table 5.4 was used to indicate management style, and Water Co. is service sector firm 'C', which ranked lowest among all the postal survey respondents. The only collective indicator was an annual pay review for all employees. There were appraisal and communication channels to indicate some individual approaches and for the integration of these dimensions, the devolution of decision-making powers to line management and the existence of a formal discipline and grievance policy were reported.

However, these indicators need to be qualified. To begin with, such policy documentation that did exist was subject to a content analysis which found that policies were in fact little more than a statement of intent. For example, there were no defined procedural arrangements for dealing with discipline or appeals, as suggested in ACAS codes of practice. Furthermore, there were no equal opportunities or health and safety details as a formal policy for the company.

Indeed, some employees interviewed had never received a written statement of their terms and conditions. The Chief Executive regarded employee relations matters more as contractual issues, to which an external legal consultancy firm was used for advice and guidance, often after particular events or problems had occurred [4].

⁴ It was reported by employees, not management, that there had been two recent industrial tribunals. One was for alleged race discrimination and only anecdotal evidence was reported, usually third or fourth hand. The other IT was for unfair dismissal and Water Co. lost the case for failing to have 'proper' procedures for dealing with disciplinary hearings and appeals. This was confirmed by management and a telephone interview with the dismissed employee, a sales representative.

A second way of qualifying management style is to assess how deep management practices run throughout the company, which can be used to explain the extent of unilateral regulation that existed as one of the dimensions of the relationship. Regulation was almost always influenced by the Chief Executive. While supervisory respondents reported that they had ‘authority and responsibility’ for employee relations, including such matters as ‘recruitment, discipline and dismissal’, ultimately decisions were made by the Chief Executive. One supervisor reflected comments expressed by other respondents at different sites, which summed-up the style of the Chief Executive:

“no one is ever sacked here, but a lot are told to leave”

Another way depth of style can be analysed was with reference to the salience of issues that emerged during the research, which can be traced to the extent of unilateralism within the employment relationship at Water Co. Two matters referred to above illustrate this; namely, employee pay reviews and appraisal. Decisions on these matters were ultimately made by the Chief Executive himself, sometimes jointly with other departmental managers who are based at the head office. However, there is no mechanism to involve supervisory management or consult with workers in determining pay awards. The whole philosophy expressed by the Chief Executive was that ‘management are there to manage’ and ‘employees to work’.

For remuneration, a system was designed by the Chief Executive which gives a strong flavour of a ‘preferred style’ that could influence the degree of unilateralism, possibly trust and ‘them and us’ attitudes within the relationship.

It is significant that the smallest single group of employees within the company (the sales rep) was used as a benchmark to develop a new bonus and/or commission-based pay system. Briefly, every category of employee had his or her regular salary replaced with a lower 'basic wage', plus an element of 'commission or a bonus', depending on either overall company performance or individual effort. Thus basic salary could be increased by greater individual effort and a corresponding increase in output. Within this scheme, occupational or specific job tasks were regarded as largely irrelevant. In a personal message to employees, the Chief Executive wrote in a memo:

"..with our new incentive package for remuneration and performance I'm convinced everyone can meet the new challenges and reap the rewards by striving for customer quality and individual self-betterment ... we should all benefit in our success in the near future.."

What emerged in practice is a diverse and often complicated wage structure which originated from changes engineered by one dominant actor; the Chief Executive. At the head office in Tewkesbury, sales reps, tele-sales and customer service employees all received the lowest basic pay in the company. The rationale for this was explained by one of the senior managers at the head office:

"well you have to understand they [tele-sales] have the easiest chance to earn the 'readies' because they speak to customers all day long ... and they [sales reps] have a better chance to sell the coolers than anyone else.."

With a lower basic salary and commission based on the number of successful calls for tele-sales staff, the control of earnings was a clear prerogative of management, which raises a further link to the technology that was used. The pace for answering customer telephone calls was determined by the new

telephony/IT system mentioned earlier, however, the capacity to boost earnings was also dependent upon customers external to the employment relationship. One call operator remarked:

“if we answer more and more calls our bonus is up. But if we’re answering fewer calls the company is probably more productive - not so many mistakes for them [customers] to get you about”

(Call Centre Operator, Tewkesbury)

The paradox is that if customer service operators answer a greater number of telephone queries, arguably this implied a measure of customer complaint rather than improved organisational performance. Employees were not ignorant to the observation that their pay could be improved by poor quality service, nor were workers ignorant about company aims to reduce the wage bill. To quote:

“I’m one of the longest serving [sales] reps, and I do think it’s one of the better places I’ve worked ... you’ve got to remember these are all young lads [meaning sales reps], not so many stay that long in the offices, maybe the odd dozen or so. As soon as they realise the bonuses don’t come that easy, they’re off”

The same system existed for other employees. For example, delivery drivers received a bonus on the number of deliveries made over and above targets set by the Chief Executive, and sanitation engineers earned commission-pay for the number of water coolers serviced at customer sites. Indeed, one sanitation engineer commented that he often volunteered to make deliveries of water while out visiting customer sites, as way to boost his basic salary.

The other area that was analysed to capture deeper meanings of management style was through the emergent issues associated with the appraisal system,

which was reviewed by the Chief Executive at the same time as the bonus/commission wage payment system was implemented. Essentially, every employee in the company was subject to an annual appraisal from which a number of 'objectives or targets' were set by management. Supervisors conducted the appraisal interview, which was structured around pre-set performance targets. Again, there was no method of consultation and employees were informed of new demands during the appraisal interview. Most employees spoken to expected target increases, and a few of them reported that the appraisal was 'rarely used for anything else' other than to impose new targets. There was no mention of staff development or talk of training opportunities during the appraisal, and the Chief Executive commented the exercise ensured that:

"people are told what is expected of them".

However, analysis of this data suggests there are other factors which can influence the style of management, which can be 'exogenous' (i.e. external) as well as 'endogenous' (i.e. internal). For example, all sanitation engineers interviewed at the Warrington site reported an increase in targets for the number of coolers to be repaired or serviced, with a corresponding decrease in the time allocated to carry out repairs and servicing. The rationale was explained by the site supervisor:

"the company make a profit out of the sani's. They [the employee] get a two quid bonus a job, and we [the company] charge twelve ... If they start getting back too early I increase their jobs and we're all happy - aren't we?"

Evidently, what the supervisor ‘interpreted’ as beneficial for the company was assumed to be beneficial for employees: that is, an increase in deliveries. Ultimately, it was labour costs which were the overriding objectives in appraisal setting, which are shaped as much by external demands from customers as they are by internal, managerial preferences. The £2 cost to the company, the engineer’s bonus-pay, plus the number of machines that can be repaired and serviced is the target squeeze without any recourse to additional considerations. For instance, all sanitation engineers reported that cooler machines were breaking-down less frequently and thus they found themselves returning to the depot earlier. As mentioned above, they began doubling-up as delivery drivers to meet targets and increase their earnings.

Sales reps also reported that while they anticipated an increase in targets, their appraisal focused on maintaining the underlying success rate of the company because of managerial preferences, often regardless of external factors. As one rep explained:

“We all get tough targets and ... that’s alright - I mean it’s how we make our crust anyway. But this time round making a profit isn’t in it. We’ve to keep pace with the last two years growth ... they’re talking of something like a 60-80% increases just to keep level. There’s no chance ... with the spell of weather we’ve been having”

Targets set for 1996, for example, were established against a large increase in the volume of water sales for 1995, the most pronounced market growth for the company. Yet the weather which fuelled demand in 1995 was not evident in 1996, even though targets had been set against this background. In short, it wasn’t hot enough to sell the same amount of water, yet management

approached appraisal objectives with little consideration for these external influences.

In summary, while management style can be based on the scope of policies, which shows an opportunistic and *ad hoc* approach for Water Co., at a deeper level the 'intentions' of management in devising these policies can be seen as rather more complex - if not sinister. Management style at Water Co. is almost exclusively articulated by the senior actor, the Chief Executive. However that does not mean there are unambiguous aims in adopting a 'preferred approach'. While the broad proxy indicators of management style are important - such as individual and/or collective orientated policies and the extent to which these are integrated or their absences exposed - it is the motives of management which can inform a deeper understanding of the processes of modification arising from management style. From this a number of explanatory issues can be noted.

The first is that management style was largely comparable to the exploitative type of relationship described for Water Co. in chapter seven. It can also be noted that style is probably linked to the market environment; in particular, the desires of management to be a market leader. Second, there are further complexities, as employees reported rather different perceptions of management when related to the immediate work context, which can also be linked to voice and climate, reported below. Finally, it is worth commenting that the style of management articulated by one actor, is not necessarily the same as that found at workplace level, particularly where the immediate work milieu is located away from the head office. In short, even within a single (relatively small) organisation, the factors which influence management style are far from homogenous.

EMPLOYEE VOICE

Data for employee voice was collected at two levels. The first was factual-type evidence concerning the range of voice and communication channels that actually exist. This is used to capture the extent of employee involvement and participation (Marchington *et al*, 1994). At a second level both quantitative and qualitative data, concerning the perceived utility of employee voice within the non-union organisation, were analysed.

1) VOICE MECHANISMS

A number of indicators were used to examine the existence and range of voice and communication channels from the company questionnaire (questions 32, 35, 43 and 44 - appendix one, part 2). Other than the annual appraisal mentioned above, which was little more than a top-down way of informing employees of targets, team working was reported to be the main way to pass-on information, with the frequency of information-transfer being reported as between 'quarterly and annually' (question 47). There was a cascade system of communicating information via the method of team working, however this was often piecemeal. Moreover, several employees and supervisors reported that such briefings were only ever used when something 'major or important' had to be communicated, usually by senior management. In addition to the company questionnaire, the absence of employee voice is perhaps best summed up by the Chief Executive:

"we don't consult [employees] we impose when we really know it's not so good to do it that way ... several things we have introduced have not gone smooth and some of them have been where we have implemented them"

II) VOICE UTILITY

Given the absence of formal voice mechanisms, it could be expected that employee perceptions of voice utility would be less than satisfactory, and the employee survey was used to tap a number of indicators, for which summary results are given in table 8.1.

Table 8.1: Indicators of Employee Voice Utility (%)

Question/Statement *	Agree	Not Sure	Disagree
<i>In your job do you often inform supervisors that you can do your job well (q40a) +</i>	50	17	33
<i>In your job do you often suggest to supervisors improvements in the way your job is done (q40c) +</i>	33	35	53
<i>I speak to management often about my wages and conditions (q41) +</i>	20	17	63
<i>Employees are very much involved with management in making decisions in this company (q34)</i>	23	18	59
<i>When decisions are taken which affect my pay or work, employee views are taken into account by management (q42)</i>	57	13	30
<i>Management communicate changes about work often (q46)</i>	58	10	32

* Some questions/statements are paraphrased for consistency with an agree-disagree continuum response. A seven point Likert-type scale was used, and for simplicity responses are grouped under 'agree', 'not sure' and 'disagree'.

+ These items factored together to form factor 5 in appendix three, labelled dialogue/communicating with management. The Cronbach's Alpha reliability coefficient was 0.4186

The data in table 8.1 was used to construct four separate sub-scales of employee perceptions of voice utility. The sum of these sub-scales was computed and mean scores, deviations (positive or negative) and levels of significance explored. On a combined scale of 0-36, Water Co. employees show a (surprisingly) positive perception of employee voice, by + 8.1 points. In other words, despite the absence of structured voice mechanisms, employees were nonetheless satisfied with its usefulness to a certain degree (see appendix W8.1a).

The next stage of analysis was to explore possible differences using non-parametric tests owing to the small population sample. Several independent variable characteristics were used: namely, gender, age, occupation, length of service and salary band. These results did not show any statistically significant relationships (see appendix W8.1b). The only marginally significant variable here was occupation for sub-scale four (management communicating often). Subsequent cross-tab analysis showed that unskilled and semi-skilled workers (i.e. drivers, process operatives, sanitation engineers) indicated more positive responses to this statement than did clerical employees. One explanation for this is that the former occupational groups work at a distance from the Chief Executive, possibly indicating that personal and friendly ties with supervisors rather than with senior management is a greater indication of perceived voice utility, despite the absence of structured voice mechanisms.

This statistical data was finally examined for possible relationships between the sub-scales and correlational analysis was used. These results show that sub-scale one, which was a reflection of opportunities to enter into dialogue with management (i.e. factor 5 in appendix three), appeared to be the most significant element of overall voice utility, followed by voice 4 (management communicating often) and then voice 3 (employee views taken into account). The sub-scale voice 2 (feeling involved in decisions) was the least statistically significant factor (see appendix W8.1c).

CLIMATIC FACTORS

It was explained in earlier chapters that an exploration of the prevailing employee relations climate in each organisation can be used to illuminate the salience of particular issues which in turn can shape action as a source of influence within the relationship. For this data was collected in several ways (questionnaires, interviews and observation) and analysed at two levels. The first was in relation to 'issue-centred climate', concerned with the mechanisms for employees to raise a concern and, more importantly, their (dis)satisfaction with management's handling of such issues or concerns. The second way in which climate was examined was in relation to 'inter-personal climate', concerned with the relevance of friendly ties between actors at workplace level.

ISSUE-CENTRED CLIMATE

As with voice mechanisms, there were few structured opportunities for employees to formally raise a concern or grievance, and several respondents reported that the mechanisms that existed were dependent on the individual employee having to ask management directly. When examining the level of satisfaction with issue-centred climate, a number of contradictions emerged in the data. On the one hand employees suggested there was no difficulty raising a concern at a personal level, however, it was also explained that by raising a concern, this did not mean there was likely to be a satisfactory outcome, and findings are reported in what follows.

Two questions in the employee survey were used to obtain an indication of the relative ease at which employees could raise a concern (see table 8.2). Of the two statements posed, a majority (46%) 'agreed' that they would be viewed as a potential 'trouble-maker' if they raised concerns or questioned management

decisions. Further, while a majority disagreed that it takes a ‘strong-minded individual to stand-up to management’ (45%), there is a significant minority (35%) who agreed with this statement. In short, the evidence would tend to suggest that the prevailing climate is far from conducive to raising an issue with management.

Table 8.2: Indicators of Issue-centred Climate (%)

Question/Statement *	Agree	Not Sure	Disagree
<i>I would be labelled a trouble-maker if I question management decisions (q28)</i>	46	25	29
<i>It does take a strong minded individual to stand-up to management (q37)</i>	35	20	45

* Some questions/statements are paraphrased for consistency with agree-disagree continuum responses. A seven point Likert-type scale was used and for simplicity responses are grouped under ‘agree’, ‘not sure’ and ‘disagree’.

These two statements were used as separate sub-scales for issue-centred climate and mean values, deviations (positive and negative) and statistical significance results are given in appendix W8.2a. On a scale of 0-12, employees displayed a negative orientation regarding the climate for raising an issue with management, by - 3.2 points. Again, possible differences were examined by several independent variables (gender, age, occupation, length of service and salary band), and the results (given in appendix W8.2b) did not show any significant differences.

Against these statistical indicators of issue-centred climate, the qualitative experiences of employees revealed a great deal about climate, particularly in relation to the salience of emergent issues and how management handled particular concerns. For simplicity, two issues are reported from the interview data. The first is the semi-collective employee concerns about a new office layout at Tewkesbury. The second is the experiences of a supervisor and

employee who had to respond to the Chief Executive's wishes during a new marketing campaign to launch the company's product in Scotland.

In the first issue, management had arranged for some building work to alter the layout of different departments at the head office. The call centre was moved into a larger room at the rear of the building and accounts and sales ledger departments rearranged so they were adjoining. New senior management offices were built with a glass wall and door on one side, which over-looked clerical employees at their work stations. Management had informed employees that this building work would be conducted over a weekend when the office was empty. However, there had been no consultation over where desks or furniture would be placed.

What developed was a large degree of dissatisfaction, not only with the layout itself but, more importantly, with how management handled employee concerns. All employees interviewed at Tewkesbury commented that management did not show much concern for the problems this office re-design raised. The accounts ledger department, where five employees worked, had been moved into what was a former 'corridor/passageway' and both managers and employees interviewed recognised this was only done to accommodate the new individual offices for senior managers. For call centre operatives to go the toilet or have lunch breaks, for example, this now meant having to walk through the sales ledger department, and then passing the (new) senior management offices. Employees expressed their concern about the subsequent working environment and lack of space. However the climate was such that employees 'expected management to do nothing'. One clerical employee in the accounts department remarked:

“The office layout that we’ve just had, which has been beneficial in some parts, that was very much done from a management point of view of convenience. We’re certainly not happy about that in our office because it’s like a little rabbit hutch now. It’s tiny, and people are walking in and out all the time. The office was supposed to be ergonomically designed by a specialist company ... it’s ridiculous because the shape of our office is just so impractical and it’s not at all how we’d imagined it. It’s obvious it’s still going to have to change, and no doubt we’ll be the last to know again”

Employees in the call centre similarly expressed dissatisfaction and raised the matter with their supervisor. However they did not anticipate any immediate solution, given a strong perception of management inaction about their concerns:

“Dave [supervisor] couldn’t really give a toss. He gets paid to sit and watch us from that window in his office ... to go anywhere now means going nearly right across the warehouse, so you get back and he’s on at you for down time cos it takes ages to get anywhere”

The second issue which illustrates a prevailing issue-centred climate at Water Co. and at another location away from the head office, is with regard to a marketing campaign, initiated by the Chief Executive, to try to sell water in Scotland [5]. Subsequently, the whole sales team were taken to Edinburgh for one full week to “blitz the area”, with the support of one sanitation engineer to install water at customer premises. The latter, however, was not part of the original plan until the last minute and this illustrates the climate of handling particular employee concerns. The Warrington site was asked to send one of its three sanitation engineers to support the sales team and, although it was explained by the supervisor that there was no employee available, a number of

⁵ At this time the company sold water nationally, but had no customers beyond Carlisle.

issues emerged which were focused on satisfying the demands of the Chief Executive. The Warrington supervisor commented:

“he [the chief executive] didn’t want excuses why we couldn’t do it. He just wanted it done. That’s how it works here. The problem [is] I had one sani on holiday and the others [two] were booked-in for deliveries and servicing elsewhere the next day”

From the employee’s perspective, the matter exemplified a significant degree of dissatisfaction to management’s handling of concerns. The employee was recalled from his holiday, not because of some emergency within the company, but because the Chief Executive had issued the instruction to support ‘his’ latest idea to seek prospective customers in Edinburgh. The employee concerned had returned from a week’s family holiday in Wales to find the Warrington supervisor waiting outside his home with a hire van loaded with water, coolers and a mobile phone. His instruction was to drive to Edinburgh “that day” and support the sales team for a week. Notwithstanding the complaints raised by the employee on his ‘own doorstep’, his family suitcases yet unpacked, the issue highlighted the extremes of a distinctive ‘atmosphere’:

“It wasn’t whether I went or not. You have to understand it was whether I was ‘history’ or not ... even though there was never that said direct to me personally ... I knew what it’d mean ... and no, they never sold one bloody cooler all the time I was up there”

INTER-PERSONAL CLIMATE

In addition to issue-centred factors, climate was also analysed by the potential of close, personal and friendly ties at shop floor level, which has been noted as a potentially important factor for SMEs (Bolton, 1971; Goss, 1988; Scott *et al*, 1989; Rainnie, 1989; Roberts *et al*, 1992). Thus while there were few methods

to raise a concern coupled with an apparent lack of employee satisfaction to how management handled issues, there is nonetheless the potential for personal relations to be another indicator of the prevailing climate or ‘atmosphere’ within the relationship, and these were explored at a number of levels.

At one level the employee survey was used to gather indicators of employee-supervisor relations at shop floor level and the results are given in table 8.3. These suggest that, in the main, employees ‘get-on with their manager’ (87%), are prepared to put in ‘extra effort’ (85%) and most ‘mix and socialise’ with colleagues (53%). The first two statements are derived from factor 7 (appendix three) which was labelled informal/social relations, and while the final two statements also give an indication of personal relations, it should be noted these did not emerge as a discrete factor during different stages of analysis, but were subject to tests for internal consistency (see appendix W8.1 for an explanation of the procedure, and appendix W8.2a for sub-scale results).

Table 8.3: Indicators of Inter-personal Climate (%)

Question/Statement *	Agree	Not Sure	Disagree
<i>I get on-well with management (q32) §</i>	87	10	3
<i>I am willing to put in extra effort for company success (q33) §</i>	85	9	6
<i>There is a tension between employees and supervisors (q30)</i>	37	26	37
<i>I often mix and socialise with colleagues from work (q38)</i>	58	8	34

* Some questions/statements are paraphrased for consistency with agree-disagree continuum responses. A seven point Likert-type scale was used and for simplicity responses are grouped under ‘agree’, ‘not sure’ and ‘disagree’.

§ These items factored together to form factor 7 in appendix three, labelled informal/social relations. The Cronbach’s Alpha reliability coefficient was 0.6711

Three sub-scales were computed for inter-personal climate and mean values, deviations (positive and negative) and statistical significance tests are given in appendix W8.2a. On a scale of 0-24, employees display a positive view of inter-personal relations by + 2.9 points. Thus while employees may be less supportive of issue-handling, this suggests that climate is also a reflection of personal, friendly relations. Again, possible differences were examined by several independent variables (gender, age, occupation, length of service and salary band) and the marginal area of significance is for occupation and age (see appendix W8.2b).

The sum of these separate sub-scales was computed to give an indication of overall climate. This produced a mean score of 18.3 [6] (min=0; max=36) which is marginally negative by - 0.3 points (see appendix W8.2a). The data was finally examined for possible relationships between the sub-scales of climate through a correlational analysis, the results of which indicated that inter-personal relations are a stronger reflection of overall climate (see appendix W8.2c).

Against the quantitative indicators of climate, qualitative data was collected which suggests that that any picture of a friendly, close and personal climate is slightly more complex. For example, while employees and supervisors at the bottling plant would often play soccer together in the car park and were members of a football team which also played in a local league, employee relations matters were often couched in terms of a distinctive language and banter of personal innuendoes and insults. In many ways, there existed a particular sub-culture which was much more deeply ingrained than the short-

⁶ Values below the mean reflect positive attitude, those above are negative.

lived phenomenon of climate. For example, several employees were observed on several occasions calling different supervisors personal and insulting names (such as “you’re a prick”). In return, supervisors generally ‘gave as good as they got’, rather than resorting to their role of superior actor in the relationship, with no evidence of disciplinary action taken against such workers. When the author asked employees about this banter, it was explained that ‘it’s always been that way’. One employee responded:

“well, they’re ‘easy-going’ up to a point ... [supervisor A] tells you straight but [supervisor B] is too much of a ‘prick’ ... we’ve often said he needs one of those ‘jobs worth hats’ ”

The same conversation ended:

“but he’s all right, really, for a dick-head”

Thus against an initial image of personal dislikes, there was a hidden sub-text which is based on the customs that existed at shop floor level which were a much longer-term phenomena than climate.

At the Warrington site there was also a distinctive use of banter and language between employees and one supervisor in particular. However, there was more evidence to suggest that this was related to the prevailing inter-personal ‘climate’ owing to certain personality clashes, rather than a parochial sub-culture. For example, on several occasions there were full-blown shouting matches concerning allegations of favouritism, that certain drivers were given easier deliveries, with particular customer sites regarded as the more lucrative jobs because of multiple drops at one location, which meant targets could be

met quicker with subsequent bonus payments. Other examples included employees 'ignoring' instructions to finish their coffee break and load vehicles. Indeed, despite threats of discipline from the supervisor, employees would hardly acknowledge they had just been told to carry out their work, even though they knew their break time was over. A particular form of company-speak was often used, with one supervisor known by his method of warning people, that they will be 'history', which meant they could be dismissed. In many ways, employees recognised this was an abuse of the managerial prerogative, which ultimately influenced the prevailing climate at the site. One delivery driver remarked:

"I've told Kenny [supervisor] before, so it's not that he doesn't know, gives me any of that 'you'll be down the road' crap or I'm 'history' and he'll take his head home in a bag, and I've told him, he's not talking to me the way he treats some of these young lads. Stupid threats, that's all he's good for"

In summary, while climate is a factor that is difficult to operationalise in precise terms, the salience of issues and the deeper experiences of employees themselves can convey a lot of information in deriving an overall impression of the prevailing 'atmosphere', and at one level this was reported through a range of issues which can shape behaviour and action. For example, the individual employee instructed to go to Edinburgh at the drop of a hat, did so not out of love for the company, but because the alternative was potential unemployment. If we take Cohen's (1988) analysis of what someone is forced to do as reality, rather than what course of action is available to the employee in theory, then the issue-centred climate that prevailed in Water Co. can help explain the exploitative nature of the relationship and the style of managing employees in

the absence of a trade union. Taken together, these give a richer flavour of the tensions and contradictions that coexisted through the employment relationship.

ACTOR ATTITUDES

This final section is concerned with other guides to potential action and behaviour, which were analysed as employee attitudes to various objects. For example, general attitudes to management, trade unions, work satisfaction and orientations to the company. A combination of attitudinal sub-scales were devised from the employee survey. While the construct validity of some of these are confirmed by factor analysis, an element of caution must be noted with respect to others, which did not emerge as discrete factor variables. For the latter, tests for internal consistency were conducted and the procedure is explained in appendix W.8.1. The full results are given in appendix W8.3 to W8.6.

GENERAL ATTITUDES TO MANAGEMENT

For employee attitudes toward management, three sub-scales were devised from the workforce survey. The mean scores and deviations were computed and are given in appendix W8.3. The three sub-scales were as follows:

- i. Extent of supervisory control, taken from factor 3 in appendix three, which is made up of six separate questionnaire responses.
- ii. Employee-managerial tension, taken from factor 4 in appendix three, which is made up of four separate questionnaire responses.
- iii. Rule orientations of management, taken from factor 8 in appendix three, which is made up of two separate questionnaire statements.

Analysis was then conducted at two levels. The first was with respect to each sub-scale and an overall measure of attitudes toward management at Water Co. The second level of analysis was to explore possible differences along several variables: gender, age, educational attainment, length of service, salary and occupational classification.

The first stage of analysis shows a highly negative attitude by Water Co. employees, which is comparable to other images given throughout this chapter. On a combined scale of 0 to 72, this shows a negative deviation from the mid point by - 11.1 (see appendix W8.3a).

The second stage of analysis did not produce any statistically significant results for either gender, age, education, occupation, length of service or salary. Subsequent cross-tab analysis showed some marginal differences. For example, that a greater proportion of men to women were more positively disposed toward management (59% compared to 38% respectively). Further, those employees with less than 3 years service and those earning less than £12K per year had a slightly more negative orientation to management (40% and 45% respectively). Overall, however, there were no real significant differences between employees and all were negatively disposed toward management.

Correlation analysis was used to compare the three sub-scales, and the extent of supervisory control as an indication of institutionalised (mis)trust identified as the most significant element, followed by perceptions of rule enforcement (see appendix W8.3c).

GENERAL ATTITUDES TO TRADE UNIONS

For this section, the data set is somewhat reduced, as respondents who could comment were restricted to the 16 employees interviewed. Notwithstanding this, two separate sub-scales were derived from factor 2 (appendix three), which are labelled 'ideological' and 'instrumental' attitudes to trade unions. Mean scores, deviations (positive and negative) and tests for significance were computed and are given in appendix W8.4.

For ideological attitudes to unions, employees had a positive attitude by + 8.0 points, on a scale of 0 to 30. For instrumental values of trade unions, employees showed a slightly positive deviation (by + 1.1 points) on the scale 0 to 12. The sum of these two sub-scales was computed, and a mean value of 30.1 shows an overall positive attitude to trade unions by + 9.1 points (see appendix W8.4a). The tests for independent variable influence did not produce any statistically significant results (only gender and occupation were available, see appendix W8.4b). Subsequent correlation analysis showed that both sub-scales were equally significant elements of the overall scale for attitude to trade unions (appendix W8.4c).

Additional qualitative data derived from interviews was also indicative of positive ideological views, which offers some explanation for the less sympathetic instrumental attitudes toward trade unions by these non-union employees. For example, no employee expressed negative sentiments about unions generally, although the role for a union within the context of the work milieu was often contrasted with a hostile perception of managerial behaviour toward unions. Of the 16 respondents interviewed, 10 of these suggested

management would not 'allow a union', while 2 believed there was 'no need for a union' and another 4 reported they had 'never thought about a union'.

Only three of these 16 respondents had been former union members (all with a previous employer), and two employees interviewed were current union members. Both of these were employed at the Warrington distribution centre. One was the supervisor, who reported he was a union member because subscriptions from a former occupation (joiner) were still paid by direct debit. He 'thought' the union was the GMB, but was not sure, and had never received any union services. The other employee was a sanitation engineer who joined the T&G 'after' starting employment with Water Co. When asked the reasons for union-joining, he reported that it was because of what he described as "*despicable treatment*" by management. This is the same sanitation engineer who had to travel to Edinburgh immediately after his family holiday, as described earlier. Significantly, he had no former union experience and the motives for union-joining appeared to be a sense of 'injustice and attribution' derived from the individual's experience of management at Water Co. Indeed, it was explained that:

"I've no doubt whatsoever, if [the supervisor] or [the Chief Executive] knew about the union I'd be on my bike ... its more protection for 'when' I need it, than anything else"

(Sanitation Engineer, Warrington)

Other employees who had a favourable orientation to unions, tended to justify the union absence because of management action and possible reprisals. For example, common responses included:

“The actual mention of a trade union would get management’s back up here”

(Clerical Employee, Head Office)

“I think if you had a trade union which actually had some pressure, which might be able to change things, I think management would be a little terrified to say the least”

(Call Centre Operator, Head Office)

“I’m not quite sure how unions work, the bits I’ve heard I think they’d be useful here. [But] if you were to welcome a union, then you’d have to ask yourself the question, would I be jeopardising my job if the union didn’t get in? The management theory, I’d guess, is that the company’s done well so far so why have one, and then to put your case to welcome one, means your going to be very, very unpopular, and that’s not a good situation to have with the management here”

(Sales Rep)

In summary, it can be suggested that while employees have positive attitudes toward trade unions generally (and there is no suggestion that a union would be ‘inappropriate’), a significant obstacle is managerial suppression.

GENERAL WORK SATISFACTION

For employee attitudes about work experience and general satisfaction, four sub-scales were devised from the workforce survey. The mean scores were computed and are given in appendix W8.5. The four sub-scales were as follows:

- i. Employee orientation of ‘work attachment’, taken from factor 9 in appendix three, which is made up of two separate questionnaire responses.

- ii. Employee perceptions of 'intrinsic work value', derived from three separate questionnaire responses (Q40b, 44, 49) [7].
- iii. Employee indicators of 'pay satisfaction', made up from two separate questionnaire responses (Q50 & 51) [7].
- iv. Employee indicators of 'job satisfaction', made up from one separate questionnaire response (Q47).

As before, analysis was conducted in two stages. The first was with respect to each sub-scale, followed by an overall measure of employee attitudes to work satisfaction. The second stage of analysis was to explore possible differences amongst several independent variables, for example: gender, age, educational attainment, length of service, salary and occupational classification. Overall, employees displayed a marginally positive attitude to work with a combined mean value of 29.1; or + 2.1 points above the mid-range on a scale of 0-54. However there were some differences, with a negative experience for the sub-scale pay satisfaction and a neutral (i.e. mid-range) value for job satisfaction (see appendix W8.5a).

This second stage of analysis did not produce any statistically significant results for the overall work satisfaction scale for any of the independent variables. However, there were some differences for three of the sub-scales. Gender was significant for work attachment ($p < .05$); occupation for intrinsic work value ($p < .05$); and salary band for pay satisfaction ($p < .01$). Generally, a greater proportion of women (66%) to men (22%) were positively attached to their work, which was also found for clerical employees with regard to intrinsic work value. Not surprisingly, the main difference for salary was those earning above £12K

⁷ These questions produced the most significant level of internal consistency using correlation coefficients in the absence of factor analysis variables. For an explanation of the procedure,

per year were more satisfied than those below this level, although respondents earning £5K or less per year (n=2; part-timers), were all satisfied with their remuneration.

Subsequent correlation analysis of these sub-scales was conducted, with 'work attachment' and perceptions of 'intrinsic work value' the two dominant aspects of overall work satisfaction (see appendix W8.5c).

ORIENTATIONS TO COMPANY

For the final attitudinal object, data was collected about general orientations to the company, as distinct from management or work and two separate sub-scales were used, as follows:

- i. Indications of 'organisational commitment', derived from three separate responses in the employee survey (Q31, 35 & 52).
- ii. Employee attitudes about the 'values of the company', obtained from two separate questionnaire responses (Q27 & 33).

The same statistical analysis was conducted and for the combined scale for orientations to the company, there was a mean score of 16.3, or a positive deviation of just + 1.3 points on a scale 0-30 (see appendix W8.6a). In disaggregated terms, sub-scale one (organisational commitment) had a negative deviation, while sub-scale two (values of company) showed a positive attitude among employees. There were only two statistically significant results along sub-scale two, for occupation and length of service. Generally, semi-skilled and supervisory respondents were more negatively disposed than other employees

see appendix W8.1. The correlation coefficient results are given in appropriate sections/tables throughout appendix W8.5 to W8.6.

(50% and 25% respectively). Those who had worked for Water Co. for more than one but less than three years, showed the largest negative attitude to the sub-scale company values (20%). The remaining length of service bands (less than one year, and four to seven years), were both positively orientated to company values (63% and 55% of these occupational respondents).

Correlation analysis was again conducted and both sub-scales were statistically significant elements of overall orientations to the company (see appendix W8.6c).

SUMMARY AND CONCLUSION

To fully answer the research aims and questions outlined at the end of chapter one, comparative data are required in order to contrast and compare results to identify key differences between non-union organisations, a task that is beyond the scope of a single case study chapter. Notwithstanding this, a number of concluding comments can be made with respect to the processes of modification identified at Water Co., and one way to simplify the mass of data obtained from case study analysis is the method of descriptive tabulation as a tool to aid generalisation (Yin, 1993; Hartley, 1994). This method is summarised in appendix W8.7 and some concluding comments are made in what follows.

The chapter first outlined the descriptive characteristics used to explain what the employment relationship *is* at Water Co., which was one defined by highly exploitative features (chapter seven). Consequently, a combination of factors were discussed and the most prominent influences were management style, product market pressures and issue-centred climate. These influences were traced to both ideological reasons (i.e. preferences of one dominant actor, the

Chief Executive) and the perceived market situation. Some authors suggest that in maintaining non-union relations, management adopt an array of 'best practice HRM' techniques (Guest, 1989; Pfeffer, 1994, 1998; Guest & Hoque, 1994; Flood, 1998), however this was not evident at Water Co.

These are similar to some relationship features identified in an earlier study by Foulkes (1980), especially the distinctions between management style and strategy, which can often be blurred owing to market pressures and underlying philosophies which can shape action and behaviour. What is fundamentally different at Water Co., however, is that employees appeared to satisfy some of their needs and wants through non-traditional methods. For example, there was a marginal degree of voice utility despite the absence of structured voice mechanisms. The small, close-knit working relations away from the eyes of senior management was one explanation for this. Indeed, the few independent variables that were statistically significant, were found for those occupational groups who tended to work beyond the head office site.

Perhaps the most significant issue is that, overall, no single independent factor can be easily identified as the main influence at Water Co. While management action and style would appear to be one determinant factor in explaining the exploitative relationship, it needs to be noted that style itself was also shaped by other issues; in particular, the influence of the product market and a wider non-union climate promoted by the state.

Finally, the evidence from Water Co. suggests that seeking definitive variables as a single causal explanation on the processes of modification can often dilute the contradictory and dynamic processes inherent in worker-management

relations. That is, it is the deeper motives, roles and guides to action which are much more fruitful in this case study. Arguably, employees recognised they were party to an exploitative relationship which contained elements of co-operation and conflict. This coexistence can in part be explained by either formal or informal, conscious or unconscious forms of altercasting (McCall & Simmons, 1966). Moreover, the actors generally understood their own role within the organisation and that which was applied to themselves and to the other party. For example, employees were positively disposed toward unions, yet most recognised that management action ultimately stemmed from a unilaterally imposed managerial prerogative.

CHAPTER NINE

CHEM CO

A CASE OF MANAGERIAL GUARDED PREROGATIVE

INTRODUCTION

The schematic framework for this chapter is similar to that of chapter eight. It commences with a brief overview of the main features used to describe the employment relationship for Chem Co., and this is followed by an examination of the dynamic processes which can influence the relationship as it is defined in this investigation.

CHEM CO.: EMPLOYMENT RELATIONSHIP OVERVIEW

Chem Co. had a different position for many of the dimensions used to describe the employment relationship in chapter seven. In comparative terms, Chem Co. showed the highest degree of 'them and us' and formalisation of all the organisations. However, regulatory approaches were mixed, which included a range of individual as well as collective dimensions. On the surface, the employment relationship at Chem Co. displayed a number of participatory features, although the strategic orientation tended to be minimalist in comparison to other case studies. As such, Chem Co. did not slot easily into any of the categories discussed in chapter two but was provisionally located between 'pseudo-participation' and 'management as leader' types. The aim of this chapter is to analyse the main processes which may have shaped and modified the relationship at Chem Co.

EXTERNAL FACTORS

GOVERNMENT POLICY AND LEGISLATION

The relevance of employment legislation to promote the non-union status of the organisation did not appear to be a highly significant influence on management or the relationship at Chem Co. This can be seen from data collected in the company questionnaire, where management responded with a score of 7 to questions 47 and 48; where 1=definite advantage and 7=no

advantage for management on the impact of government policy and legislation over past 15 years.

Of course, this does not mean that the preservation of a non-union relationship was unimportant to management, but rather that the main source of influence lies elsewhere. In particular, a strong ideological perspective was prevalent in management thinking, often articulated as pragmatic business reasons, which appear more significant than government policies toward non-unionism. For example:

"A lot depends upon the nature of the influence from outside the business from certain unions and we're lucky I suppose in that respect, we don't have them worries. You've got national executive committees who are awfully interfering into what's going on within a company ... The T&G used to be terrible because something had been decided somewhere, and then everywhere, up and down the country, it was going to happen in all their members' companies ... Now some local organisations, local trade unions that were capable of saying hang-on, that's crap and won't work in their company, and that would be fair representation to me; you don't get that. What you do get is awful interference by people who don't know what's going on in the real business world"

Operations Director

At one level the above sentiments demonstrate a preference for a non-union relationship because of a perception of union interference in company affairs, even though Chem Co. had never experienced unionisation. This appears to be based on the experiences of the Operations Director, who was himself a former union member in the printing industry some years before.

At another level, however, it was also explained that maintaining a non-union relationship implies a burden of cost on the part of management, rather than

explicit reference to the use of anti-union laws. Interestingly, this points toward a union substitution approach, and the Operations Director commented:

“I mean, for me anyway, I would say it’s a personal slugging-off if people came to me and said I want a trade union. The first question in my head would be, Why?. It wouldn’t be, well, Maggie’s made it easier for me to stuff them, so they can’t have one. I’d also be thinking, OK, if I really am that bad, then that’s the time for me to go, you don’t need a trade union just get rid of me ... If you just want people to come to work to sweat, then yes, the Tories have made it a lot easier and I’m sure there’s a lot of sweat shops about, we’re not one of them though ... To keep the confidence of people, that it’s me they can rely on without a trade union, you’ve got a lot more work to put in because you’ve got to sell it to everybody ... once trade unions were the best thing to have in the world, because it was a piece of cake to be a manager. All you’d do is deal with one or two people, you’d end up doing your deal with an area organiser or your shop steward or chapel rep, whatever they are these days, and it’s his job then to go and sell it”

As can be seen, it was ultimately non-unionism that was clearly regarded as an advantage in modifying the relationship, if only to avoid external ‘interference’ from trade unions. However, the main source of influence in shaping the nature of that relationship at Chem Co. appeared to be motivated by something other than the prevailing political-legal climate. Certainly the latter would help in indirect if not direct ways. However at Chem Co., as reported below, one particularly significant factor appeared to be management style, especially the ideological values of the senior actor. To briefly explain (see management style), the Operations Director was a highly flamboyant character who consciously sought to influence employee behaviour. He had experience of unionisation from his former background, had a Ph.D. in

psychology from the Open University, and would use this to run discussion forums among employees [1].

In addition, he would often describe himself as a socialist and espouse a personal dislike for the anti-union laws introduced by previous conservative governments. Thus while the political-legal climate engineered by the state had a capacity to shape action and behaviour, at Chem Co. this appeared less significant than management action itself.

TECHNOLOGY

In the company questionnaire, Chem Co. responded with a score of 3 when asked about the extent to which the company had invested in new technology (Q46, 1=definite investment to 7=no technology investment), representing a medium orientation to the use of technology. The Operations Director explained that technology had been principally focused on laboratory research and development and, while there was some investment in processing equipment at Leeds and Knowsley, this was either to replace old equipment or to develop new chemicals arising out of research and development. However, shortly before the study, Chem Co. closed a third site based in Widnes. The rationale for which was that both Leeds and Knowsley were capable of multiple forms of chemical processing. In short, the Widnes site had limited capabilities, but it should be noted this was because investment in technology had gone to the remaining two sites. As for technology influencing the employment relationship, this can be seen to impact on the nature of work, although this differed between occupational groups.

¹ Examples ranged from such things as 'team building', 'basic literacy' classes (maths & English), 'leadership skills' and classes on 'democracy'. The Operations Director was highly supportive of the views articulated by Maslow and Herzberg, and would use these motivational theories in many sessions, which were all held in the employees' own time.

Briefly, the manufacturing of chemical products was structured in small cells (or teams) for batch processing of particular compounds on a 24 hour, 365 day shift pattern. Process operatives were semi-skilled and employed on different product lines depending on the type of chemicals being manufactured. A series of processes were conducted on each line before the product was finally manufactured, to which employees were observed monitoring various dials and technical output. Each stage of manufacture was conducted by separate cells consisting of between three and twelve workers depending on a particular production process. For some product lines the sequence of work activity was dictated by the technical processes used. For example, in the processing of paint pigments for ICI, or washing powder ingredients for Unilever, the pace of work was largely determined by technical operations. On the paints line, cell teams of between 3 and 5 people would follow a two or three hour cycle in which various chemical ingredients would be added at pre-determined stages. These were mixed in large vats, and the flow of processing was determined by valves opening and closing at set times. Once the process had commenced, it required little employee effort and the pace of production was largely fixed: certain ingredients were mixed and diluted for a period of time before subsequent stages could begin. Each cell team would be responsible for several separate production jobs running at different stages, moving between these while the mixing and diluting of paint pigments was occurring elsewhere on the shift.

Consequently, and given the capital-intensive nature of work, only a few employees were required to manufacture large volumes of such chemicals. In this respect, the technology had an impact on the level of labour supply. Further, there was an overlap between technical demands and managerial

decision-making. In particular, supervisors on the paints line would suggest that it was the technology used which demanded a system of 24 hour, 365 day processing. However deeper analysis suggests that the demands of technology were at times secondary to managerial action. For example, while it was reported that it was easier to run certain parts of the plant continuously than to close-down a particular line and re-open it at a later date, ultimately such decisions were also couched in a language of economic efficiency as well as a technical rationale. A supervisor on the paint line commented:

“to close this section [2] down would cause mayhem ... we’d need at least a full day to get it working properly again ... Safety and maintenance would have to be called in, and probably a few contractors to dismantle and then reassemble half the pipework once it’d stopped ... that’s not going to be seen as a very proficient way of managing”

Production Team Leader, Knowsley.

Thus, on the one hand, the capital-intensive nature of chemical process technology dictated a system of shift working. On the other hand, however, this was often blurred with managerial reasons for economic efficiency, and the precise causal symmetry between technology and management as an influence on the relationship was a complex issue. Equally important is that these influences differed across the site and an explanation is given in what follows.

In other parts of Chem Co., the technology used to manufacture pharmaceutical products affected the nature of employee relations and had a de-skilling impact on workers involved. Here, employees were organised in

² By ‘section’ was meant a particular set of pipes, valves and large vats which mix chemical compounds on the paints line. Each cell team was responsible for several sections running simultaneously, but starting at different times.

similar cell teams. However, these were larger (typically 10-12 people) and the pace of work could be altered by the technology used. Significantly, the nature of pharmaceutical processing did not require chemical ingredients to be diluted and mixed for a fixed period of time as was the case for paint pigments, although attendance by individual employees at various stages of the production cycle was crucial. One immediate consequence was the extent to which supervision was considerably more intense and bureaucratic than on shifts outside pharmaceuticals. For example, team leaders would constantly monitor and check employee performance by walking the line, ensuring there were no 'bottle necks' and that each stage was running smoothly. Furthermore, once employees entered certain parts of the pharmaceutical line, departure for even the most basic of human needs was frowned upon. This was owing to lost production time given the required safety precautions: employees had to shower both before entering and upon leaving the cell area, and remove protective clothing because of the dangers from chemical dust. From interviews with employees and from observation, Chem Co. appeared to follow such precautions quite strictly, which intensified the need to supervise employees once processing had commenced.

The greatest area for technical investment in the company was directed at research and development. However, analysis identified that this technology had the least impact on labour-management relations, although it did tend to 'up-skill' the nature of certain jobs. The work was centred around small scale equipment used to develop new product ranges. This meant that employees in research and development were afforded a greater degree of task freedom. For example, many conducted experiments and in the process, were able to upgrade and widen their own personal expertise. The Operations Director explained that this led to certain frustrations in managing such employees:

"I can't be an expert at everything and we encourage R&D to be active in what they want to do really, and in the main they are. The odd person here isn't but the vast majority of people follow the sort of professionalisation needed for our business if you like; specialisms in chemistry, things like Phosgene, Flora, Nitrous compounds, that kind of thing. So I have to rely on specialists to know what's happening and what's not happening with certain people, which isn't that satisfactory for me ... I've got a few I can trust and have learnt to live with it that way. And there's really the biggest reason not to have a trade union because I'd then be thinking, well, whose trying to call the shots, some union steward, a chemists on something few know anything about, or even worse, both perspectives to deal with"

Operations Director

In summary, while Chem Co. had a medium orientation to technological investment, the very nature of capital-intensive chemical processing meant the organisation started from a much higher base than other companies studied. Thus, the significance of technology as a tool to affect employee behaviour was at times complicated. In some areas, the pace of output could not be altered by technology, yet in others it could. Further, where technical operations meant production schedules were fixed, there was often less demand for labour and the nature of such work was de-skilled on particular lines. Furthermore, those employees with technical and scientific knowledge were afforded a greater degree of freedom in their work, which pointed to a degree of trust and less unilateral regulation for certain workers. This can be explained by the up-skilling effect of the work carried out by such occupations.

On balance, it appeared that the technology used by Chem Co. did have some impact on the processes of modification and subsequent nature of work, although it should also be noted this differed for key sections of the workforce.

Ultimately, however, the greatest influence came not from the technology itself, but the uses to which it was put, which remained a closely guarded preserve of management.

PRODUCT & LABOUR MARKETS

Chem Co. manufactures and sells intermediary chemical compounds and produces a range of over 150 different products. About 40%-45% of these are directed at particular markets which are dominated by large customer organisations; for example, ICI, Unilever, Kodak and Agfa. Following a recession in the late 1980s, Chem Co. diversified and patented a number of new chemical compounds which now account for another 40% of the company's business, principally for the pharmaceutical industry.

In general terms the nature of the product market was explained as highly competitive, although this was not related to a large number of similar companies entering the market over the past decade, even though quite a few did. Indeed, ease of entry for competitors was constrained by a number of factors, not least of which was that the capital and financial resources needed to set up a chemical company are considerable. Furthermore, among those competitors that did exist, it was explained that it was a practice across the industry for similar small scale chemical companies to be relatively well-known to one another, and each usually concentrated on a distinct market niche.

The second factor which suggested that ease of market entry was not straight forward was the nature of commercial contracts with customers. These contracts were often of a long duration, typically three to five years and once signed implied a degree of market stability for Chem Co. For example, at the

time of this study, Chem Co. had been manufacturing paint pigments for ICI for about eight years, and the contract has only been renewed once. The Operations Director explained the market thus:

“It is common for small chemical sites like us to invest in production facilities such that we have, when we have a clear knowledge of future plans ... customers recognise that, and we work within that system quite well I’d say

However, while actual market entry may be difficult for organisations outside the industry, market pressures were experienced in a variety of forms. One was that large customers were able to use their own resource and purchasing power to affect relations. The Leeds manager commented:

“We’re very much kept on our toes by certain clients we deal with up here, which are our bread and butter at Leeds ... we have a few large contracts and my role is to manage them ... Its important for my role to make sure we have a long term partnership and that’s very much the nature of the business at this site ... [whereas] at Knowsley we can do a lot more and at much shorter notice”

Another aspect of market pressure occurred owing to the nature of intermediary products manufactured by Chem Co. The Operations Director explained that customers can also be competitors, and this could be used in subtle ways in negotiating commercial contracts. For example:

“we’re a small fish in a big pond, we are a chemical manufacturer and most of our competitors are our customers ... ICI might come along to us and say to us can you make X Y Z and we would say, yes, OK. Another part of ICI might be saying, hang on we’ll make that instead, internally, so competitors can appear as customers in disguise”

Operations Director

In addition to the complexities of the product market and customer relations, labour market factors were examined regarding the ease and/or difficulty of recruiting suitable employees. In the main, there was a low labour turnover rate for all employees, although occasionally the turnover for process operators would 'peak and trough', according to one departmental supervisor. All employees were permanent, mostly full-time, and although agency staff had been used in the past, these had not been employed for some years.

The labour market pointed towards a source of influence on the employment relationship, although this differed across occupational categories in the company. Briefly, a few problems had occurred when trying to recruit less skilled employees for production at short notice, often owing to tight customer deadlines. One response was to encourage existing workers to 'nominate' friends or family members as prospective employees when vacancies arose. In contrast, for technical and specialist workers, a harder business approach was adopted by management in the selection criteria with few problems attracting applicants for these higher skilled positions. These different approaches to labour recruitment and retention raised a number of implications as a source of influence on the relationship, and are explained in what follows.

The first is that the recruitment of process operatives, often through existing employees, meant that a degree of peer pressure existed internally for people to conform within the relationship and at times this appeared to be articulated unconsciously. Equally significant was the relationship to product market pressures, as these were key employees who worked on production lines to ensure relations with major customers were maintained. The Operations Director commented:

“I took on one young lad, he’s bloody useless really, but we took him on straight from school because his dad’s worked here for about 8 years, and we did ask for nominees, so we took him on and put him on a Modern Apprenticeship at St Helens college one day a week. Now I’ve got the college ringing me up, and did you know, these days people don’t fail Apprenticeships, they just haven’t passed them yet! What a load of crap, in my book if they haven’t passed then they’ve failed ... As far I’m concerned his dad can sort him out”

The point of significance is the departing gesture by the Operations Director. Essentially, because this apprentice was nominated by a family member who was a worker with a long service, then this implied a degree of responsibility for the apprentice’s performance in the relationship. Furthermore, such practices were not confined to one single case; for example, of the twelve employees interviewed, three had been recruited directly because they had been nominated by a friend or family member and in total eight had nominated other people.

The second issue arising from labour market pressures is the harder business approach, initiated at the behest of the Operations Director, in recruiting specialist and technical employees. Such applicants had to be educated to a ‘required standard’ [3] and have relevant ‘employment experience’. What is significant here is that the few difficulties that did occur were not due to a lack of qualified applicants, but owing to the fact that potential chemists/scientists had to demonstrate at interview their capacity to add commercial value to the company through a particular technical or specialist area of expertise. One departmental supervisor explained:

³ ‘Required standard’ was explained as ‘at least’ a post-graduate qualification in chemistry or other related science discipline.

“Recruitment is really down to line managers these days, and that’s right across the company. We say what we need, Alex [Operations Director] gives the go ahead or not, and then I’d say its very much hit and miss. If you’re lucky, you get one out of three that might be very good. One might be mediocre, one might be very bad. The decision to employ someone is not based on technical ability, there’s plenty of them, but it is based on, do they fit? Will they actually give something that we don’t currently have. If they don’t then we don’t want them. Your recruiting somebody who is capable of at least two jobs higher, that’s the name of the game now. Whether they do that ‘two jobs higher job’ or whether we have the opportunity for them to do that is another issue, but they have to have the potential or the ability”

R&D Manager, Knowsley

In summary, for Chem Co. the product market was competitive, although this was because many customers were also competitors engaged in similar activity. It is this type of competition which was a key source of influence, rather than the actual ease of market entry for other organisations. For the labour market, those employees who are central to the future development of products (specialist chemists) are more difficult to recruit, although this is due to selection criteria of Chem Co. itself, rather than any apparent shortage of applicants, and once recruited there is a high retention rate. Against these factors is a combination of internal dynamic processes concerning labour market pressures; in particular, where existing employees nominate potential recruits for less skilled positions, this generated a form of peer group pressure to conform.

For Chem Co. it would appear that the product market had a greater potential to influence employment relations than the labour market pressures, although this was due to the nature of customers who were also competitors, rather than the strict definition of ease of market entry. These issues can be traced to some of the key features of the relationship described in chapter seven; in particular,

a high degree of 'them and us', as conformity to certain roles in the relationship was related to peer group pressure which originated from a system of nominating potential recruits.

STRUCTURAL ENVIRONMENT: SIZE, OWNERSHIP/NATIONALITY

In comparison to Water Co., Chem Co. has a number of similarities and differences with regard to its structural environment. Both are multi-site small to medium sized enterprises (Chem Co. employing 130 workers; Water Co. 120). However, one major difference is the nationality of ownership. Whereas Water Co. is foreign-owned, Chem Co. is a British-owned company. Furthermore, Chem Co. is a manufacturing organisation, with mainly manual employees, while Water Co. is a service sector company, with a large proportion of clerical employees. Thus despite the small size of each firm, there are significant differences which may explain some of the dynamics of the employment relationship and processes of modification in each.

SMALL SIZE

One major difference between these two smaller case study firms is the nature of the work and the type of employees in each company. To illustrate these differences, data was collected in a number of ways from interviews, documentation and questionnaires. Regarding the type of employment relationship, it will be recalled from chapter seven, that Chem Co. ranked top out of all companies for the degree of formalisation within the relationship and this can be explained by several factors.

The first is that despite its small size, the nature of work at Chem Co. was comparatively more bureaucratic than was the case at Water Co. At one level, this can be seen by the technical and specialist nature of chemical

manufacturing, with detailed health and safety procedures across both the Knowsley and Leeds sites. At another level, additional practices bureaucratised the nature of work and illustrated the contradictory process at workplace level within a small firm. For example, Chem Co. had been adopting various BS and ISO quality procedures for several years, and one consequence of this was a system of 'modification forms', introduced as part of the ISO standards, which bureaucratised what was already common practice for many technical chemists. In practice detailed paper work, often recorded in 'duplicate', was introduced for the most minor work activity. Similar paper work was introduced for the most routine of maintenance activities, from changing a light bulb to a major overhaul of existing equipment. One technician suggested:

"in my job now are what we have is these quality procedures which isn't the same as a quality system. I'd say most of us have to circumvent them because they just get in the way, especially if we're working to time critical deadlines"

Laboratory Chemist

In short, for a small organisation, Chem Co. was comparatively more bureaucratic than other smaller organisations. Equally important is that this appeared to introduce a degree of tension into the nature of work activity, as expressed by the above respondent.

A second explanation for the small yet apparent formalised work environment at Chem Co. was evident in the structure of production. The requirements of a 24 hour, 365 day cycle of production meant that employees in different cell teams and working on different production lines would be unfamiliar with their counterpart on another shift, despite the small size of the company. One process operative suggested:

“I’ve been on a few nights out with this company, and ended up meeting a guy whose lived in the same street as me for years, and didn’t even know he worked here ... we don’t know who is here on nights or anything like that”

Process Operative, Pharmaceuticals Line

Both the Operations Director and Site Manager at Leeds commented that one of the most recent employee relations issues had been to try to integrate employees across the company. For example, the site Manager at Leeds was appointed two years before the study, and purposefully picked by the Operations Director from those suitable for promotion who were based at Knowsley. Similar employees had been moved across sites and placed on different shifts. Of twelve employees interviewed, five had been moved either between sites or onto different production lines. One employee commented:

“My job is maintenance engineer and I worked at Leeds for six years ... I’m now based here [Knowsley], and that decision was taken about three months ago”

However, the objective of integrating the workforce contained some inherent tensions, further suggesting that the notion of a small, harmonious working environment is not without certain conflicts. This factor was also linked to the prevailing climate within the relationship (see below), as the maintenance engineer commented:

“there was no asking for volunteers. I’ve been married eight months, a new baby on the way. I’m not too pleased I have to travel from Leeds to Knowsley now, every day, getting home sometimes at 7 or 8 O’clock at night”

In summary, for a small firm, Chem Co. was much more bureaucratically structured than was the case for Water Co. The crucial point is this was not with regard to detailed regulations regarding employment *per se*, but contextualised by the nature of chemical manufacturing and desires to have the plant operational day and night. Significantly, this raised a number of tensions within the relationship, not least because of management's desire to integrate different sections of the workforce. One implication is the impact this had on the prevailing climate (see below).

OWNERSHIP

Chem Co. is owned and managed to all intents and purposes, by the board of directors and although the Operations Director has a seat on the board, he does not have voting rights. His role was explained as a 'facilitator'; i.e. 'persuading' board members and basically 'managing everything and everyone'.

When exploring possible ownership influences, it was noted that all employee relations issues are left to the Operations Director and, while the latter did not have voting rights at board level, there were no contentious issues about employee relations matters arising from owners. Evidence was also gathered from others interviewed and, as explained under management style, the fact that the Operations Director was not an owner did not negate his potential to influence the relationship. In short, ownership was not a particularly strong factor in shaping the relationship at Chem Co.

PERSONNEL FACTORS**MANAGEMENT STYLE**

In chapter five, the range of indicators of management style pointed towards a category which was labelled 'benevolent autocracy' with a touch of 'opportunism'. In table 5.4 Chem Co. is listed as manufacturing firm 'K' and has a higher individual than a collective indicator of style, although the degree of strategic integration is relatively minimal. While such style labels are often descriptive and determined from subjective information on the surface, Chem Co. was benevolently autocratic. For example, it had a range of practices which included a works council, individual appraisals and pay reviews and a variety of communication channels between employees and management. However, the meaning and impact of these practices can be questioned on the basis of analysis of company documentation, management behaviour and observation at different levels.

The first level of analysis examined in greater detail a range of style indicators. This suggested that despite the existence of a works council, which would indicate a collectivist style according to the McLoughlin & Gourlay (1994), Bacon & Storey (1993) or Purcell (1987) framework, this had not met for some time before the study. Further, when the works committee did meet, this was outside working hours and employees were required to attend in their own time. Moreover, in addition to employees elected to serve as council representatives, others were 'selected', which appeared to tilt the agenda in management's favour. In short, the existence on paper of a works council reveals little depth to the actual practices of the mechanism. The Operations Director explained the function of the works committee and suggested reasons for its decline thus:

“The works committee has died here and doesn’t exist in Leeds anymore ... The main reason was in that works committee meeting you’d be discussing things like the number of toilets on the site, or whether something was safe or unsafe, very, very rare anything to do with pay ... With pay reviews, I make an announcement now to every site and to individuals, what the pay rise is going to be, so if there’s any comeback on that I deal with it. When I introduced things like the safety meeting, which is like a sophisticated way of management; simple, but compared to what existed previously, most of those concerns which came under the works committee disappeared”

The second level of analysis used evaluated the extent to which style was strategically integrated. For example, the integration of policies indicated a particular managerial style (table 5.4 in chapter five), and later emerged as a central feature in the employment relationship (see chapter seven). However, both management and employees reported that official grievances are rare and recourse to *ad hoc* processes at enterprise level were reported. For example, no single employee could recall a formal grievance and most had no more than a vague recollection that such a policy existed. Significantly, the fact that management occasionally disciplined people was regarded as a highly integrated feature of style, however the policies which point to this were also below those standards recommended in ACAS codes of practice (excluding health & safety). For example, there was no mechanism to record employee discipline and no procedure for appeals, other than an ‘unwritten understanding’ that the Operations Director would deal with such matters. One employee did comment that he had had a final written warning and, while it was common knowledge this was not recorded on any file in the company, he did not question management’s ability to recall the situation should the need arise in the future. For management it would appear that because discipline takes place, this is an indication of a strategic style of managing, regardless of the qualitative meaning and interpretation between policies and practices.

This led to a third level of analysis, which addressed the subjectivity and meaning of management style articulated by key actors. In this respect, the flamboyant character of the Operations Director, briefly noted earlier, was an important source of influence on employee relations. To quote:

“You need to know where I’m from ... I use to be in SLADE, that’s one of the older print unions, and we use to say what goes in them days, not the management ... I’m also a divorced catholic married to a jewess, so that tells you a lot about me - you can’t have divorced catholics and catholics don’t marry jewess’. I was taught by Jesuits and the way Jesuits teach is to make you think and not to accept everything. I’m a socialist, but not like the socialists who think like Blair or Brown, give me Tony Benn over these ‘new’ labourites any day [4] ... I’m in the business of making things happen that shouldn’t happen - a socialist managing director and a catholic married to a jewess ... If people want a trade union they can have one, but I’m going to make sure they persuade me first that it will add something, which isn’t going to be easy. I’m not going to encourage anyone to be a trade unionist and at the same time I’m not going to stop anyone”

Operations Director

While the senior actor at Chem Co. had a strong and interesting personality, the point is that this was capable of influencing others and of being transmitted across the company. Other employees spoke of the Operations Director as a highly dynamic and flamboyant character. A few responses were critical, some thought he was ‘a bit mad’ in a humorous way, while many suggested he passionately ‘cares about people’ and ‘the company’. One employee commented:

“[The Operation Director] is what you could call a hands-on type of manager ... he’s out and about all day, he’s here one minute and then when your looking for him, find he’s driving up to Leeds”

Technical Chemist, Knowsley

⁴ The research took place at Chem Co. between August and December 1996, before the general election which returned a Labour Government.

Other examples were less complimentary, but still indicated powerful images in tracing the sources of management style. One respondent suggested that managers with a 'like-minded' approach to that of the Operations Director would 'fit-in' at Chem Co. For example:

"The managers here stick together ... it doesn't matter if one makes a big cock-up, they're always sorted and it's us who end up getting it in the neck one way or another ... there was a spillage this morning which could have been fairly lethal with bromide solutions. Big, big panic stations for a few minutes because one of the barrels split open ... Don't get me wrong, Alex [Operations Director] was straight on the scene, protective gear and all that, helping out like ... But he knew it was [name, supervisor] who screwed-up. When its one of their own, you know, its all forgotten"

Process Operative, Knowsley

Another employee commented that the site manager for Leeds had been "moulded in Alex's [Operations Director] minds eye". Indeed, the Operations Director referred to the site manager at Leeds as:

"a local lad from Knowsley that I've put a lot of patience in to bring along. He knows what's what now, which means I can leave Leeds to him"

At Leeds, another employee summed-up similar views articulated by different respondents, that the Operations Director is an extremely strong influence on the way other managers manage:

"We're all managed by a lot of shouting and brawling and then more shouting. Adrian [Leeds Manager] gets that from Alex [Operations Director], you see that when they're here together"

Clerical Officer, Leeds.

In summary, a number of points can be made with respect to the operational indicators of management style at Chem Co. First, to rely on the 'scope' of style indicators is only partial evidence, and additional analysis at Chem Co. would suggest that the 'depth' of style practised at workplace level is equally important. For example, the existence of a works council and reports of integrated policies can be misleading, as the works committee rarely met and when it did, appeared to be strongly controlled by management. Second, the fact that policies exist on paper does not indicate the extent to which they are integrated. Arguably, while such indicators suggest that management style was somewhere between 'benevolent autocracy' and 'opportunistic', deeper qualitative indicators of management action and behaviour reveals a picture which is ultimately concerned with preserving the managerial prerogative. Moreover, management style at Chem Co. is strongly influenced by the preferences of one dominant actor (the Operations Director), and it is this approach which appears to have a strong influence on the processes of modification within the employment relationship.

EMPLOYEE VOICE

Data was collected at several levels; first regarding the range of non-union voice mechanisms and secondly concerning the perceptions of voice utility by analysing both quantitative and qualitative evidence. The results are reported in what follows.

1) VOICE MECHANISMS

The company questionnaire was used to identify a combination of voice channels (questions 32, 35, 43 and 44 - appendix one, part 2), and Chem Co. score relatively high. For example, team working, the works committee

(although this had not met for some time), shift and individual staff briefings, health and safety meetings, the appraisal system and daily cell meetings were identified as the main sources of voice and communication (Q32). Furthermore, according to management, consultation was regarded as a common practice with shift and cell meetings used to seek employee views, which were backed up by the Operations Director 'walking the floor' and actively speaking to individuals.

In addition to the existence of voice mechanisms, the frequency of communications was reported as 'definitely weekly' and 'occasionally daily'. On balance, there were a combination of channels for employees to receive information from management and these appeared to occur more often than not. In one respect, such mechanisms are indicative of what the Operations Director mentioned earlier, that preserving a non-union relationship requires a degree of effort on the part of management. This pointed towards a union substitution approach rather than direct unilateral imposition and suppression.

ii) VOICE UTILITY

Given the extensive range of various voice mechanisms, it could be expected that employee perceptions of voice utility would be reasonably satisfactory and the employee survey was used to explore such perceptions. The summary results are given in table 9.1, where the data suggests that despite the extensive range of voice mechanisms, employees were far from satisfied with their usefulness. For example, few employees were able to speak to management about their wages or conditions (15%) and the same number did not feel involved with management of the company. Moreover, only 10% of respondents suggested that management actually take account of their views when decisions are made.

Table 9.1: Indicators of Employee Voice Utility (%)

Question/Statement *	Agree	Not Sure	Disagree
<i>In your job do you often inform supervisors that you can do your job well (q40a) ⁺</i>	28	26	46
<i>In your job do you often suggest to supervisors improvements in the way your job is done (q40c) ⁺</i>	74	18	8
<i>I speak to management often about my wages and conditions (q41) ⁺</i>	15	14	71
<i>Employees are very much involved with management in making decisions in this company (q34)</i>	15	3	82
<i>When decisions are taken which affect my pay or work, employee views are taken into account by management (q42)</i>	10	14	76
<i>Management communicate changes about work often (q46)</i>	27	12	61

* Some questions/statements are paraphrased for consistency with an agree-disagree continuum response. A seven point Likert-type scale was used, and for simplicity responses are grouped under 'agree', 'not sure' and 'disagree'.

+ These items factored together to form factor 5 in appendix 3, labelled dialogue/communicating with management.

At another level, the data was subjected to various statistical tests and a combination of sub-scales was computed to explore voice utility. On a combined scale of 0-36, Chem Co. employees showed a negative perception of overall voice utility by - 2.4 points. There were some statistically significant results for each sub-scale, which were similar to those found for overall voice utility (see appendix C9.1.a). Of these, gender was significant, with cross-tab output showing that a greater proportion of men (87%) to women (12%) had a negative perception of voice utility. Age and occupation were also statistically significant ($p < 0.002$), although there was no clear dichotomous relationship between these independent variables. Generally, those in the two age groups 31- 40 and 41- 50 years of age were least supportive of voice (90% and 86%), while those aged 21-30 and over 51 were located on the positive side of the voice scale (see appendix C9.1b). The most dissatisfied occupations were technical and unskilled employees (64% and 89% respectively disagreed).

Surprisingly, those employees who were union members were more positively orientated to voice utility (77%) than non-union employees (34%).

Of the sub-scales used for voice utility, a correlational analysis was performed, which suggested that 'voice4' (frequency of communication) was a more prominent element, followed by 'voice1' (opportunities to engage with management in dialogue) (see appendix C9.1c).

In summary, despite the range of mechanisms, employees were highly dissatisfied with voice utility. Interestingly, compared to Water Co. this represents an inverse relationship between voice mechanism and its utility, where there were fewer voice mechanisms but a higher degree of utility. One explanation could be that the small social setting was fundamentally different in the two companies. As noted earlier, perceived utility in Water Co. was influenced to a greater extent by closer relations among employees and supervisors, although not with management in general. One way to explore such issues further is through an examination of the prevailing climate at Chem Co.

CLIMATIC FACTORS

As in chapter eight, climate was examined at two related levels. The first concerned 'issue-centred climate' and, in particular, the salience of employee concerns handled by management. The second way climate was examined concerned 'inter-personal climate', in particular the relevance of close, friendly relations between employees and supervisors at workplace level. Data was collected from the employee survey, interviews and observation and the findings are reported in what follows.

ISSUE-CENTRED CLIMATE

In theory there were plenty of opportunities to raise a concern with management, either at a semi-collective or individual level, but most employees interviewed had at best a vague recollection of any mechanism to raise a concern or grievance. Indeed, no respondent could recall a grievance or concern ever being raised with management through formal channels. In the main, concerns were raised individually at departmental or supervisory level. Occasionally, an individual worker would raise matters of concern with the Operations Director.

In addition, two specific questions in the employee survey tapped the general impressions of the 'atmosphere' (rather than the mechanisms) for employees to raise an issue or concern with management and the results are given in table 9.2 below. The most significant finding here is that 87% of all employees suggested that 'it takes a strong-minded individual to stand-up to management'; a finding that is largely comparable to the general styles of management adopted by the Operations Director. A majority (49%) did not believe they would be labelled a 'trouble-maker if they questioned management decisions', although a large minority (30%) did believe this.

Table 9.2: Indicators of Issue-centred Climate (%)

Question/Statement *	Agree	Not Sure	Disagree
<i>I would be labelled a trouble-maker if I question management decisions (q28)</i>	30	21	49
<i>It does take a strong minded individual to stand-up to management (q37)</i>	87	10	3

* Some questions/statements are paraphrased for consistency with agree-disagree continuum responses. A seven point Likert-type scale was used and for simplicity responses are grouped under 'agree', 'not sure' and 'disagree'.

These statements were subsequently used to compute respective sub-scales for issue-centred climate (see appendix C9.2). On a scale of 0-12, there was a negative deviation of - 2.2 points, and age and length of service were statistically significant independent variables ($p < 0.05$). Overall, those above age 30 and who had worked at Chem Co. for more than three years were more critical than younger employees with less service.

Further to this, the qualitative experiences of employees revealed a great deal about the salience of issues and data was analysed from interview transcripts. One example was the maintenance engineer quoted earlier, who had moved from the Leeds to Knowsley site because of management's desire to integrate the workforce more fully. This employee explained that even though he was recently married and his wife expecting a new baby, such concerns were handled with differing degrees of dissatisfaction with management. To quote:

“Adrian's [Leeds Manager] response was he has to do it, he's married with kids, and gets on with it [5], and that's the only answer I got between getting told I had to move, and actually coming down here [Knowsley]”

The same employee later commented about raising the matter at a senior level:

“I've had two meetings with Alex [Operations Director] over this Knowsley move, and to be fair, he's always been very nice and sympathetic ... he's spoke to Joan [employee's wife] over the phone about it because she's pregnant and worried ... and I've been told I will go back to Leeds, but exactly when we're not sure, a lot depends on some restructuring that's taking place with staff displaced from Widnes”

⁵ The site manager for Leeds was formerly a department manager at Knowsley, where he still lives, and travels to Leeds every day.

Other respondents explained that when employee relations matters were raised at supervisory level, the method of management handling was to ignore the issue, or delay providing an answer until the issue had passed. Examples included requests for odd days off at short notice, with no definitive answer until it was often too late. One employee commented:

“you would get more of a response from guards at Colditz!. That’s no joke that. I’ve been here eight years now, at 51 I’m coasting downhill, I can say I’m off next Wednesday morning, and you have to tell them what for like, but that’s it, nothing more. I don’t wait to get the nod to stay off. Some of the lads though, they can be their own worst enemies, they keep asking is it OK, is it OK ... If they just say I’m taking my own leave and worry about it after, I’ve told them, but they are their own worst enemies”

Process Operative, Paints Line

On balance, it appeared that employees had a variety of opportunities to raise a concern or issue with management, however there was evidence that management handling was far from satisfactory. Significantly, it was not that employees disliked the answers they received, but rather management consciously sought to by-pass the issue. Moreover, such concerns covered more than what may be described as trivial matters and highly significant issues which affected the lives of employees and their families were handled with some insensitivity by management.

INTER-PERSONAL CLIMATE

This was used as another dimension of climate and it tapped the extent of close, friendly relations at shop floor level as an indicator of the atmosphere within the company. Again, the employee survey was used as well as qualitative experiences from those party to the relationship and the analysis was conducted at several levels.

Table 9.3 shows a number of responses from the employee survey as one measure of the prevailing atmosphere indicated by inter-personal climate. From this, most employees 'got-on well' with their manager (76%), were prepared to work hard for the company (77%) and only a small number (8%) commented that there was workplace tension. The one negative indicator of inter-personal relations was that a minority of workers tended to mix and socialise with one another (45%), which is also comparable to the issues of workforce integration mentioned earlier.

Table 9.3: Indicators of Inter-personal Climate (%)

Question/Statement *	Agree	Not Sure	Disagree
<i>I get on-well with management (q32) §</i>	76	17	7
<i>I am willing to put in extra effort for company success (q33) §</i>	77	14	9
<i>There is a tension between employees and supervisors (q30)</i>	8	12	80
<i>I often mix and socialise with colleagues from work (q38)</i>	45	3	52

* Some questions/statements are paraphrased for consistency with agree-disagree continuum response. A seven point Likert-type scale was used, and for simplicity responses are grouped under 'agree', 'not sure' and 'disagree'.

§ These items factored together to form factor 7 in appendix three, labelled informal/social relations.

From the survey data, three sub-scales were devised for inter-personal climate and mean values and the extent of positive/negative deviations computed (see appendix C9.2). On a scale of 0-24, employees reported a small positive perception (by + 0.8 points) for inter-personal climate (see appendix C9.2a), and five of the seven independent variables tested were statistically significant. These were: gender ($p < .0.03$), age ($p < 0.0001$), occupation ($p < 0.0000$), union membership ($p < 0.01$) and former union experience ($p < 0.002$).

At another level of analysis, the sub-scales for each dimension were examined separately to obtain an overall climatic scale. Further, given the range of qualitative experiences reported by many respondents, this appeared to fit in with a negative climatic atmosphere in Chem Co. For overall climate, there was a negative deviation of - 1.4 points on a combined scale of 0-36; and age, occupation and current union membership were statistically significant independent influences ($p < 0.05$ - see appendix C9.2b).

Subsequent cross-tab analysis showed that for age, all employees were negatively disposed toward the general overall climate at Chem Co., although there were higher negative values recorded by those employees in the two age bands 41-50 and over 50 years of age. Similarly, semi-skilled workers (i.e. process operatives) had more negative perceptions of climate, although a majority of both technical and un-skilled workers were also located on the negative side of the climate scale. For those employees who were also union members, no respondent expressed a positive indication of the prevailing climate at Chem Co.; 89% of these were negatively disposed and 11% were neutral (or not sure). There was no statistical significance between those employees with and those without former union experience - all were negatively disposed to climate.

There were some further differences between the two sub-scales, issue-centred and inter-personal climate. For the former, occupation and length of service were statistically significant ($p < 0.05$). For inter-personal climate gender, age occupation, current union membership and former union experience were statistically significant ($p < 0.01$ and 0.03). Briefly, these results show that all professional employees and a majority of semi- and un-skilled workers were more negatively disposed to issue-handling climate than other categories

(100%, 64% and 80% respectively), although those with less than three years service tended to be more positive than either those employees with less than one years service, or those above three years service.

For inter-personal climate, both sexes were negative about the idea of close, friendly relations with supervisors; although a slightly larger proportion of male (60%) to female (57%) workers were negative. Differences among occupations were similar to those differences for issue-centred climate with younger employees slightly more positive than older workers. Interestingly, employees who were current union members were significantly more negative about inter-personal climate (89%) than non-union members (41%), with a comparable pattern between those with and those without former union experience; 77% of former union members were negative, while only 37% of those without any union experience had a negative view of the prevailing inter-personal climate at Chem Co.

Finally, correlational analysis was performed and for both sub-scales these were statistically significant elements in overall climate. However, inter-personal climate was a comparatively more significant factor in the make-up for overall climate (see appendix C9.2c).

ACTOR ATTITUDES

This final section examines actor attitudes as an indication of potential action and behaviour that influenced the relationship. The analysis was conducted in relation to the same attitudinal objects explored for Water Co. in chapter eight, which were: attitudes to management, trade unions, work satisfaction and attitudes to the company. The tests and measures of internal consistency used

are explained in appendix W8.1, and the full results are given for Chem Co. in appendices C9.3 to C9.6.

ATTITUDES TO MANAGEMENT

The first stage of analysis was to compute three separate sub-scales, which were used to explore the relativity of employee attitudes to management and also to identify differences among several independent variables. The results are reported in what follows.

Employees expressed negative views about management with a deviation of -4.0 points on an overall scale 0-72. There were also some differences in the sub-scale used (see appendix C9.3a). For example, employees suggested there was a greater degree of institutional mis-trust, partly explained by the tight supervisory regime witnessed in some production areas.

The only statistically significant independent characteristics for general attitudes to management were educational attainment and occupational classification (see appendix C9.3b). The more negative responses were from those employees with no formal educational qualifications (of which 90% were negatively orientated to management), while all other groups who had either O' or A' Levels, graduates and postgraduates and those with a time-served apprenticeship, were all supportive of management. As one would expect, those occupations associated with higher educational status, for example technicians and skilled workers, expressed positive views about management (96% and 90% respectively).

Finally, the correlation analysis showed that perceptions of workplace 'tension', followed by 'supervisory control/trust', were strong factors in shaping employees overall attitudes to management (see appendix C9.3c).

GENERAL ATTITUDES TO TRADE UNIONS

From the factor analysis, explained in appendix three, two sub-scales were used. These reflected ideological and instrumental attitudes toward trade unions by employees and mean scores and the extent of positive/negative deviations computed, together with a range of tests for statistical significance are given in see appendix C9.4.

Employees at Chem Co. ranked highest of all organisations with regard to employee attitudes toward trade unions, with a positive deviation of + 13.4 points on a scale 0-42. However, the 'pattern' between ideological and instrumental values was comparable to other organisations, with a stronger ideological than instrumental identity to union values (see appendix C9.4a). The areas of statistical significance varied but did relate to: gender, age, education, length of service and current union membership (see appendix C9.4b).

Generally, while all employees were supportive of unions, those who were over 40 years of age and male, tended to be more supportive on both the ideological and instrumental scales. For education, those who reported having no formal qualifications and those who were either a graduate or postgraduate, were more supportive of unions. This positive attitude also tended to rise with length of service; for example, 75% of those who had less than one years service; 89% with one-to-three and four-to-seven years service; and 100% of those who had worked at Chem Co. for eight-to-ten years. This trend fell

slightly to 84% of workers who had been employed for ten years or more (n=13).

Some differences between the sub-scales were also found. Generally, younger employees who were either graduates or had no formal educational qualifications were more ideologically disposed to unions than they were instrumentally. In other words, at Chem Co. those employees educated to degree level (or above), and those without any recognised qualification, were less supportive about trade unions when related to their immediate work context. Not surprisingly, the few union members in the sample were both ideologically and instrumentally supportive of unions.

Another point of interest, as suggested in chapter three, is that previous experience of a trade union could act as a form of socialisation, which could shape attitudes and behaviour as a possible influence on the relationship. For Chem Co., this was not evident, as tests for differences between these independent characteristics were not statistically significant. In short, former experiences of unionisation did not appear to shape the general attitudes to trade unions in this non-union relationship.

Finally, both sub-scales were strongly associated with overall attitudes to trade unions, with ideological perceptions slightly more significant (see appendix C9.4c).

From the qualitative data, only one employee interviewed was a current union member and two had prior experience of a unionised relationship with a former employer. The respondent who was currently a union member belonged to the AEU and this appeared to be linked to a sense of craft identity,

having remained a union member regardless of where he worked since completing an engineering apprenticeship twenty years before. As he explained:

"I'm in the AEU now. We all moved in with the electricians union and ... [membership] is part and parcel of my life. Part of my lifestyle as a tradesman".

Maintenance Fitter, Knowsley

When asked to comment on management's reaction to possible unionisation, the union member suggested:

"Oh', that'd cause some worrying for them [management], wonderful for me like ... they won't entertain one, that's been said many times has that"

Maintenance Fitter, Knowsley

Other employees expressed similar views which indicated deeper attitudes about unions within both an ideological and instrumental context. For example:

"Someone in the past tried to start a union and they [management] violently opposed it. We had the works committee instead, and that was about 6 or 7 years ago as far as I understand"

Laboratory Chemist, Knowsley

"There is a works committee which different people go to, its 'nearly' like a union as I see things ... then there's safety meetings, and other staff members sit on them, so we have the opportunities to be represented, and I'd say that's worked so we've never had a union"

Technician, Knowsley

“[unionisation] would depend a lot on the quality of the managers, and they are part of their own set-up, they look after one another, but there’s no one to look after us in that way. I think we have people in positions of authority who abuse their position and get away with that abuse ... their word is always going to be stronger than someone else’s off the line ... another view is like a check against any abuse”

Process Worker, Leeds

The same employee later commented:

“it all comes down to whether you fear for your job, and that’s been a thing for people here over the years”

Process Worker, Leeds

In comparison to Water Co., employees at Chem Co. were more supportive of unions, both ideologically and instrumentally. One explanation is that the structural features of the relationship resembled a form of collective participation at Chem Co., albeit on management’s terms. Indeed, management may well have been anti-union, but they also sought to ‘substitute’ rather than ‘suppress’ potential triggers to unionisation as a source of influence over the relationship, and one of the key factors shaping the latter was the preferred style and ideological preferences articulated by the Operations Director. Perhaps the most striking similarity for employee attitudes to unions between Water Co. and Chem Co. is the role of management as a barrier to potential unionisation. While they differed in degree (substitution at Chem Co. and suppression at Water Co.), both preferred and articulated their preferences for a non-union relationship.

GENERAL WORK SATISFACTION AND EXPERIENCES

For general attitudes about work, four separate sub-scales were computed and results are given in appendix C9.5. Again, analysis was conducted at two levels. The first was regarding each sub-scale as a measure of the relativity of employee attitudes, together with a combined overall scale. The second level of analysis was to explore for differences by various independent characteristics. Overall, employees reported a similar pattern for general attitudes to work as they did for management, voice and climate, with a marginal negative deviation of - 1.1 points on the scale 0-54. However, there were some differences between the respective sub-scales. For example, employees appeared to be 'attached to their work' and experienced a sense of 'intrinsic satisfaction', although more were dissatisfied with 'pay' (see appendix C9.5a).

The areas of statistical significance were for: age, education and occupation (see appendix C9.5b). For example, younger employees (under 30) had a more negative experience of work than older workers (above 31). For education, as before, workers who were either graduates or had served an apprenticeship were more positively orientated to their work, which was similarly noted for occupational groups who tended to be higher qualified. For instance, a greater proportion of technical, skilled and clerical employees were found on the positive side of the work satisfaction scale, while semi- and un-skilled workers expressed higher negative values. Supervisory and professional employees were largely neutral, with a majority responding to the 'not sure' category. In short, process operatives employed on product lines were less satisfied with work than were other employees in Chem Co.

The correlation analysis suggests that perceptions of 'work attachment' and 'intrinsic value from work' are key factors in overall work experience and satisfaction (see appendix C9.5c).

GENERAL ORIENTATIONS TO THE COMPANY

The reason for examining general orientations to the company was to explore a combination of employee attitudes which were distinct from those toward management or work. Two sub-scales were computed and the same analysis conducted as for other attitudinal measures.

While employees at Chem Co. expressed a negative attitude to overall work experience, voice utility, climate and management, there was some positive association with the company generally. On a combined scale of 0-30, this showed a marginal positive deviation of + 0.7 points, although there were differences between the two sub-scales. For the sub-scale 'organisational commitment', employees were less positive than they were for general attitudes to the company (see appendix C9.6a). The individual characteristics concerning union membership or former union experience were not statistically significant, and did not appear to affect overall attitudes toward the company, although age was significant (see appendix C9.6b).

For 'organisational commitment', a higher salary band was associated with a stronger inference of commitment, especially for those above £12K per year ($p < 0.05$). For the sub-scale 'company values', those employees aged over 31, and technical and skilled workers, were positively orientated to the values of the company. During the interviews, technicians often expressed their approval for environmental measures that Chem Co. adopted, which tended to portray a responsible company image within the local community (at least

among these employees). One chemist explained that before accepting his job at Chem Co., he wanted to be reassured that the company's commitment to environmental issues were compatible with his own beliefs:

"I actually had another two meetings with [Operations Director] before I accepted the job, and was very much swayed by the work [Chem Co.] was doing for marine life in the Alt [6] and its involvement in the Mersey clean-up campaign"

Generally, for actor attitudes, there was a more positive association with 'Chem Co.' as a company than there was for management or job satisfaction. Workers were also highly supportive of trade unions and from this the main barrier to unionisation appeared to be perceptions of management action. One immediate point to note is that although this managerial barrier was similarly found in Water Co., the processes of modification pointed to a different set of factors, which can be explained by the dual approaches used to avoid unionisation; that is, to some extent 'substitution' by Chem Co. management and to a large extent 'suppression' at Water Co.

SUMMARY AND CONCLUSION

Chem Co. was chosen as a case study because it provided data which met the selection criteria outlined in chapter four. This company had a large share of manual workers, was engaged in manufacturing and processing, and the work itself was structured around the capital-intensive nature of Chem Co.'s core business activity. The company was a small-to-medium sized enterprise, although different from Water Co. owing to its sector and market factors. It was also British-owned and therefore the variable of foreign ownership could be controlled.

⁶ The Alt is a local canal/waterway running close to the Knowsley plant.

While the aim here is not to compare the case studies in any detail, it is appropriate to highlight differences between Water Co. and Chem Co., if only because these two firms were studied owing to key similarities and differences in their employment relationships. The method of descriptive tabulation is used to simplify the mass of case study data (Yin, 1993; Hartley, 1994) and for Chem Co. this is given in appendix C9.7.

To begin with there were central differences in the employment relationship between these two case studies. At Water Co. this was described as one of unilateral imposition (chapter seven) and the processes of modification were identified as exploitative (chapter eight) and traced to various negative employee attitudes. In contrast, at Chem Co. the relationship was marginally participatory (chapter seven), although some of the dynamic factors raised in this chapter suggested that management were strategically more subtle in guarding their prerogative. Nonetheless, this resulted in a less than satisfactory set of employee attitudes. From this, several concluding comments can be made with respect to the research aims identified for this investigation.

The first is that in both cases management style appeared to be a highly significant source of influence on labour-management relations. Where these two firms showed a strong management style in modifying employee behaviour, there was a corresponding (and less than complementary) set of attitudes among employees as potential guides to action in each company. What also appeared to be an important factor was that management style was very much articulated by the behaviour and preferences of one dominant actor within each relationship. However, these were shaped by very different patterns of modification. For example, at Water Co. the *intent* of management was consciously exploitative in treating labour as a disposable factor of

production; whereas in Chem Co. managerial *intent* was subtly designed to guard its prerogatives. There were also different factors shaping management style. For example, in Water Co. there was a stronger influence derived from the prevailing anti-union policies of former governments, while at Chem Co. management were prepared to persuade employees to a greater extent.

Second, the importance of product and labour markets in each organisation as a significant source of influence can be noted, although these were shaped by very different factors. At Water Co. there were fewer barriers to entry for competitors, while at Chem Co. such pressures existed in a disguised form; customers were also competitors because of the intermediary nature of the chemicals manufactured. Further, the technology used in each firm could be linked to product market and customer relations. In both companies there was a low investment orientation to technology generally, although by the nature of Chem Co's activities, this meant that technology was a central aspect of employment. As a control tool to modify employee behaviour, technology appeared to have a more significant impact at Water Co., although it was certainly important for both firms. One explanation of such a difference is not necessarily the technology itself, but management uses of it. In Chem Co., this varied across the company, as it did in Water Co. However, managerial decisions about its uses were related to product development, economic efficiency and customer demands to a greater extent than was evident in Water Co., where direct employee control headed the agenda for certain workers (such as call centre operatives).

Arising from the latter is a third issue, that in both case studies the climatic atmosphere represented an intervening influence between the nature of the relationship on the one hand, and the various influences on the other (for

example management style, technology and market pressures). In Chem Co., given the recruitment methods for production line workers, a form of peer group pressure existed because of the labour market. One consequence of this was the implied formation of distinctive 'roles' that actors ascribed to themselves and applied to others to ensure a degree of conformity within the relationship. Furthermore, climate in both companies indicated a degree of dissatisfaction with issue-handling by management, but satisfaction with inter-personal climatic relations, although for different reasons.

This suggests that beneath the structure of the employment relationship there existed an undercurrent of personal rather than employment relations as a route to communicate needs and wants. It would appear that in the absence of an outside intermediary, the role of supervisors is an important source of influence in shaping the nature of employee relations (i.e. inter-personal climate), at least in these two firms. Equally important is that this is an extremely arbitrary (as well as insecure) way to modify the relationship. Above all, reliance on a modicum of informal dialogue does not remove the tensions or conflicts of interest between management and workers. To this end the view that small firms are characterised by harmonious relations is thus highly questionable.

Of course, these cannot be treated as wider generalisations, if only because the remaining two case studies were selected owing to different relationship features. It is to the processes and issues in one of these that attention is now directed.

CHAPTER TEN

MERCHANT CO

A CASE OF MANIPULATIVE REGULATION

INTRODUCTION

This chapter reports the findings for the third case study, Merchant Co. It starts with a recap of the main features used to describe the employment relationship and then examines possible influences in making and modifying the relationship.

MERCHANT CO: EMPLOYMENT RELATIONSHIP OVERVIEW

Merchant Co. displayed a number of features which were ranked alongside Chem Co., although there were some substantial differences despite the close rank order. Merchant Co. did not have a works council. There was a personnel department but no senior personnel specialist on the board and supervisory management had a greater degree of latitude to shape relations than those at either Chem Co. or at Water Co. In short, there were very different processes even though some relationship dimensions were ranked similarly. Merchant Co. displayed the greatest extent of attitudinal 'them and us' between workers and management and had a high degree of unilateral regulation but a moderate degree of formalisation. However, as was the case at Chem Co., the relationship at Merchant Co. did not slot into any single category, although the features pointed towards a 'management as leader' type.

EXTERNAL FACTORS

GOVERNMENT POLICY AND LEGISLATION

The evidence for Merchant Co. suggested that management willingly approved of the social and political environment which assisted the non-union status of the company (questions 47 and 48 in the company questionnaire). On a scale of 1 (definite advantage) to 7 (definite disadvantage), these were reported as 1 and 3 respectively. In other words, the prevailing climate that emanated from government policy and legislation, gave a distinct advantage to management.

Deeper qualitative indicators were obtained from interviews, which suggested that external political and legal influences were a source of influence. The personnel manager reported that union de-recognition had occurred when Merchant Co. purchased small companies during a period of growth, to which the general political-legal climate was a central influence. For example:

“This company will not go into dealing with a union, not ever I’d say. About two years ago was the last one when we took over [a firm] that had a trade union and we ... de-recognise[d] them ... Staff were told they’d be better off under [Merchant Co.] which is a non-union based company ... and its [the law] framed in such a way now days that it makes it less argumentative to do that than it would have been 10 years ago”

Personnel Manager

Of the twelve employees who were interviewed at the head office, three made explicit reference to the external climate from previous governments, which was summed-up by one respondent thus:

“for a union to take a hold in here, the board would have to be made to deal with them”

Warehouse Employee (head office)

In addition, analysis of documentary material showed that the non-union status of the organisation was used as a marketing tool during the company’s flotation on the stock exchange. For example, in offering shares for sale, it was stressed to prospective buyers that *“only a very small number of employees are members of trade unions”* (see also chapter six).

In summary, there was no direct use of anti-union laws in modifying the relationship at Merchant Co. However, the political climate did facilitate pockets of union de-recognition, and this pointed towards a managerial system which obtained an advantage from non-unionism.

TECHNOLOGY

In relation to Water Co. and especially Chem Co., the use of technology at Merchant Co. was considerably less. Most occupations were structured around routine office practices. However, there had been some investment in technology, with a score of 1 on a scale of 1 (definite investment) to 7 (no investment) recorded in the company questionnaire (Q46). Furthermore, the personnel manager and employee respondents confirmed that although the principle work tasks were largely labour-intensive, there was some influence from the uses of technology. Examples were an e-mail system that linked the head office to regional branches, some software programs in office administration and fork lift trucks in the warehouse side of the business.

For clerical employees engaged in office work, the greatest potential to affect the relationship came from IT and software packages, and employees spoke of having to learn new systems of administration and desk-based IT such as Windows 95, Excel and related packages. For example:

“we’ve moved now to a new method for accounts ledger and ordering ... We did get trained-up on all that ... and once you get used to it there’s nothing to it”

Clerical Employee, Purchasing.

Another employee commented about the increasing use of e-mails in communicating between branches:

“the network [i.e. e-mail system] is a lot more convenient because my job involves visiting the branches for audits and it’s easier to use that than the phone”

Clerical Employee, Internal Audits (to branches)

In addition, data was collected from observation and it was noted that most clerical and related staff had a PC on their desks, but there was also considerable paper-based work. In short, the technology changed how certain tasks were performed rather than substituted labour.

On this matter a more significant finding was that the software used overlapped clerical and warehouse tasks. This meant some reorganisation of duties because as items were depleted from stock, there was an automatic system to prompt clerical employees to re-order particular goods. In essence, the technology facilitated Just-in-Time (JIT) stock ordering with a concomitant objective of holding fewer items in the warehouse. In turn, warehouse employees were no longer required to perform regular 'stock-takes' or liaise with clerical staff as was the situation previously. This pointed towards a distinct 'them and us' attitude. One warehouse employee explained:

"there's hardly any overtime since we're on to 'Just-in-Time'. We used to get every Saturday morning [overtime] ... that's all done upstairs [clerical employee] through what they call the ledger system ... print-outs tell them what's needed every day"

Warehouse Employee (head office)

Clearly, the uses of JIT at Merchant Co. were very different from accounts in manufacturing industry, where parts are delivered every few days or hours in response to manufacturing requirements. At Merchant Co., the system of JIT was used as a way to reduce stocks and in management's eyes create a more efficient re-ordering system.

The influence on the relationship is difficult to gauge for a number of reasons. First, when asked about possible difficulties in obtaining orders from suppliers 'just-in-time', the personnel manager and warehouse employees did not recall any problems. One explanation was that while JIT was used as a more efficient

ordering system, buffer stocks were never left so low in the first place. Second, there was no reduction in the number of workers employed in the warehouse as a result of the system or computer technology, although one warehouse employee expressed some concern about the lack of overtime. Third, clerical employees suggested that their actual jobs had been made easier with the system, as they were no longer dependent on warehouse employees to convey information before placing orders with suppliers.

However, that is not to say JIT had no effect on the nature and dynamics of the employment relationship. Significantly, it was management who introduced the technology with clear objectives in mind, which did modify employee behaviour. Crucially, there had been no consultation with affected employees and the outcome represented a division between warehouse employees on the one hand, who preferred the older manual system with subsequent overtime and clerical employees on the other hand, who recognised the benefits to their own work tasks.

In summary, Merchant Co. believed they had a high investment orientation to technology, even though this was minimal in comparison with other companies studied. The technology that was introduced did not substitute capital for labour and most occupations were structured in small teams engaged in either office-work or warehouse and delivery jobs. However, the technology and the uses to which it was put did influence the way certain tasks were carried out. Some employees were less than satisfied with the outcome (warehouse staff), while others were mildly supportive or indifferent (clerical employees). The most significant aspect is the apparent division between occupations because of the JIT system for ordering stocks. In this respect, the technology and its uses had a medium affect on the nature of work.

PRODUCT & LABOUR MARKETS

The product market for Merchant Co. had some similarities with Water Co. Demand was often seasonal and influenced by exogenous factors, such as the weather which affected the construction industry. The demand for new houses and government changes to interest (and hence mortgage) rates also shaped demand. Merchant Co. also had a number of commercial contracts, to supply and fit kitchens and bathrooms for the prison service and several housing associations. Therefore, while the bulk of trade was in the builders merchant market, it also competed with its own customers to some extent.

The major market influences at Merchant Co. were as a result of wider economic recession rather than the 'ease of market entry' for competitor firms. Briefly, Merchant Co. lost almost 50% of its workforce as a direct result of market contraction, as explained in chapter six. One remedial response was the flotation on the stock exchange in 1994 because of looming financial difficulties to meet a growing borrowing deficit (of £10.9 million). This meant Merchant Co. had experienced the harsh realities of the economic market to greater extent than any other organisation studied, which influenced the employment relationship in different ways. One effect was that local branch managers were regarded as central actors who negotiated commercial contracts within a small, localised niche market. For example:

“a good branch manager can be what we call a good trader, they know what the market place is like, they know what they can get for the business, and the fact they can go out and get contracts has been a bedrock for us when the market [for building materials] is at rock bottom”

Departmental Manager, Internal Audits (head office)

Another consequence of economic recession was redundancy. In the South of England there was a greater concentration on what was referred to as ‘light’ side business (that is fitted kitchens, bathroom and plumbing materials), which meant fewer redundancies. In comparison the North reflected a trade distinction of ‘heavy’ side business (that is bricks, cement, timber and conglomerates), which led to a greater number of redundancies. For example:

“Before redundancies we never really went into detail. Now, we need more [staff] in the ‘light’ side and less on ‘heavy’ business and that’s the strategy for the market and all that comes from the Chief Exec. A manager might go for somebody that’s got skills in one particular strategy area. We actually now go through a full criteria for everyone, they’re all interviewed and told that there’s a redundancy situation, if anybody wants to volunteer we go through a process of interviews and select on ability, skill and the like. We don’t go by last-in-first-out. We don’t agree with that ... its not something the board thinks is in tune with the market strategy”

Personnel Manager.

These market pressures were also identified as an influence on climate (below), and several employees suggested that redundancy translated into a significant degree of job insecurity for those who remained:

“we’ve been lucky in DC [distribution centre] with the stuff for branches ... supplying them for their own jobs has actually kept us going but its always in your mind whether we’re next”

Warehouse Employee

Another employee whose job was to visit branches on a regular basis recalled:

“I’ve been in some offices and girls are in tears because it’s getting closed ... it’s not nice auditing them and they’re all loosing their jobs ... it definitely brings it home to yeah”

Clerical Employee, Internal Audits (to branches)

In short, while the market for Merchant Co. was largely fragmented, the ‘ease of entry’ as an indication of competition was less significant than market contraction and looming financial difficulties. This influence was magnified to some extent owing to the knock-on effects from the housing market and government changes to interest (mortgage) rates.

Against this background was the ease and/or difficulty of recruiting and retaining suitable employees in the labour market. Significantly, despite the redundancy situation several problems were identified which pointed to differences in internal and external labour markets, which are examined in what follows.

1) INTERNAL LABOUR MARKET

Following the redundancies, internal restructuring was determined in accordance with market demand (distinctions between ‘light’ and heavy’ sided business) and an appraisal system was used to evaluate internal labour mobility. However, in practice it was explained by the personnel manager that only a handful of managers with responsibility for recruitment and/or promotion followed set guidelines. Consequently, internal labour mobility was shaped more by different managers who were now regarded as central actors given their ability to manage commercial contracts. As such, management style overlapped with these influences in the internal labour market. For example:

“Take the South East, which seems to have a lot of opportunities for promotion, and that Regional Director is a believer in going for a younger team, so it gives people within that region hope if they’re on the younger side”

Personnel Manager

This was later contrasted with managerial preferences in Scotland, which had a different age profile:

“our Scottish region is more on the older side rather than a younger team, which isn't bad ... and much of that's down to that Director for that region”

Personnel Manager

Subsequently, one area of concern for the personnel manager was that older employees were potentially discriminated against when promotion opportunities arose, a factor which was heightened because of redundancy:

“some managers don't take our advice, which is all we can give them at the end of the day. I don't think they go out and say they're not having women or young blood or ought like that, but I can understand how it looks to people”

Personnel Manager

This age and/or gender bias was not recalled by those employees interviewed, however it was confirmed that departmental, regional or branch managers tend to have the final word on internal labour mobility. One employee summed up several views:

“If your gob doesn't fit then you know not to apply for posts that might come up ... it'll be sorted anyway”

Clerical Employee, Typing Services (head office)

In modifying the employment relationship these internal market factors point to the importance of managerial preferences as a source of influence, rather than any issues associated with recruiting suitable workers. For employees, the redundancies heightened such perspectives and for personnel, their role was ultimately subordinate to the fragmented practices of other managers. This is reminiscent of what Tyson and Fell (1986) described as the 'clerk of works'

model, in that personnel activities focused on administrative arrangements while key decisions were made by other managerial actors, at both the line and board levels.

II) EXTERNAL LABOUR MARKET

In the external labour market, there were few problems recruiting employees (clerical, administrative and warehouse staff) and although there had been redundancies, there was also some recruitment in the two years prior to the study.

Merchant Co. tended to adopt a formalised system to recruitment; jobs were advertised in the local press, job centres and through employment agencies. All employees were permanent, mostly full-time and there was no dependency on informal networks or family ties as at Chem Co. Selection methods were administered by personnel staff, with attendance at job interviews, but it was departmental or branch managers who selected on the basis of qualifications, prior experience and performance at interview.

However, two specific issues were identified that suggested external labour market factors had some bearing on the nature of employee relations at Merchant Co. The first was that since the redundancy situation, labour turnover had been slowly increasing, from below 4% for several years to around 10%. One explanation for this could be the growing perception of job insecurity among employees:

“We did start to have some exit interviews and I know people who were offered jobs elsewhere took them, first, I think, for the money [and secondly], things were very very uncertain after we’d lost some on the severance”

Personnel Manager

One employee reflected the same sentiments:

“Some have left because they felt they were next to go anyway ... [the redundancy has] made everyone scared and I suppose we all keep an eye open for something else, just in case”

Clerical Employee, Marketing (head office)

The second issue was that economic uncertainty in the product market also indicated some instability in retaining suitable employees. For example, the branch managers cited earlier as ‘good traders’ because they attracted custom and managed commercial contracts, were at times in high demand by other companies and several were poached from Merchant Co.:

Branch managers who are on the ball with the requisitions, they know what’s what when it comes to costings. They’ve been doing this for years, they can really work for whoever and we have lost a few good managers that way”

Departmental Manager, Internal Audits (head office)

In summary, the influence of markets at Merchant Co. represented several contradictions but on balance had a high degree of influence in shaping the employment relationship. Economic recession in the product and related house building markets were more significant influences. The most dramatic outcome of this was job losses. Consequently, the nature of the relationship was influenced by perceptions of job insecurity with some evidence of gender and/or age bias. Recruitment methods were largely formalised, however the selection methods were ultimately the prerogative of departmental managers. The most significant labour market influence was the poaching of what were regarded as key branch managers, capable of counter-balancing areas of commercial loss for the company. In addition, pressures between the product and labour market were inter-related to some extent which had the capacity to modify employee

behaviour. Some left the organisation owing to growing insecurity, others were poached and those who remained following a period of market turbulence and redundancies were fearful of their future prospects.

STRUCTURAL ENVIRONMENT: SIZE, OWNERSHIP/NATIONALITY

Both perceptual and factual information was analysed from documentation, interviews and questionnaire data regarding the structural environment and its potential influence on the relationship. The findings are described in what follows.

SIZE

The first point to note is that Merchant Co. is structurally very different from either Water or Chem Co. Briefly, the company is the second largest of all four case studies with (post-redundancy) 2,800 employees nation-wide. The company also has a national network of small branches and the head office where the research took place is the largest single site for the company overall.

The size of the organisation did not, however, represent a degree of formalisation as a dimension of the employment relationship, as there existed a significant degree of managerial freedom across different departments. This was evident both at the head office and from reports by head office respondents with experience of relations in the branch network. One effect was fragmentation and possibly less trust, which was summed-up by the personnel manager thus:

“Tribunals galore here. Tribunals galore. We have two personnel officers dealing with them on a full time basis these days. We’ve won some, we’ve lost some. We’ve broken even with some ... A lot is to do with unfair dismissal or unfair selection ... It could be where management have done things that did not follow the proper procedure or gone through proper channels ... managers think its simple: ‘well, I don’t believe him, I’m gonna dismiss him’. They don’t take into account

how long he's been with you, the reasons, there may be personal reasons. The problem is getting them to go through this department [personnel] ... some managers don't even wanna deal with us and think we're a waste of time and space. Some managers out there are a bit, 'I know what I'm doing' sort of attitude.

The implication is that a series of departmental and branch barriers influenced the relationship, partly owing to different managerial attitudes and partly owing to the size and fragmentation of the company as a whole. As a result, few managers or employees experienced any central co-ordination in structuring the relationship. This was intensified by the fact that over 90% of the workforce were employed elsewhere across the country.

However, there were also close-knit groups of employees as found at Water Co., particularly in the warehouse or in small office teams. For example, manual workers in the warehouse spoke of enjoying their work because of the 'crack with their work mates' and several clerical employees commented on 'social evenings after work with colleagues'. These appeared to represent a form of group cohesion based on occupation, rather than distinctive company bonding. Significantly, despite the large size of Merchant Co., there existed an undercurrent of informal, close and friendly relations within separate work units rather than an identification with the company or management. These dynamic processes help explain the climate at Merchant Co. and the 'them and us' attitudes in the relationship.

OWNERSHIP/NATIONALITY

Data was collected from the company questionnaire, a review of documentation and interviews. This information confirmed that Merchant Co. was a public limited company and share ownership was vested in several institutional investors. There was no foreign ownership and therefore no influence on the

relationship to assess. What can be noted is that decision-making originated from a board of directors, from which personnel was excluded.

PERSONNEL FACTORS

MANAGEMENT STYLE

Merchant Co. was characterised as having a ‘traditional HRM’ managerial style in table 5.4 in chapter five, where it was listed as service sector firm ‘F’. There was a greater indication of collective rather than individual dimensions, and the strategic integration was higher than that for Water Co. or Chem Co. The data in chapter five reflected the ‘scope’ of management style in deriving a categorisation. From this deeper indicators were sought in order to assess the ‘depth’ and subsequent practices associated with management style. These were derived from analysis of company documentation, managerial intent and observation at several levels and reported in what follows.

The first level was to explore the ‘scope’ of style indicators and these were assessed by carrying out a content analysis on personnel-related policies. This showed that, despite the existence of a staff handbook detailing policies to regulate the relationship, many fell short of those recommended in ACAS Codes of Practice. For example, discipline was cited in the policy manual (and confirmed by the personnel manager) as a way to ‘modify employee behaviour’, which demonstrated a punitive rather than corrective approach. In addition, equal opportunities and health and safety regulations all fell below ACAS recommendations.

Perhaps more significant is that line managers simply by-passed policy guidelines for regulating the relationship. This meant that management style

was very much a reflection of the preferences of individual managers, than it was an influence of centralised personnel.

The second level was to explore the extent of strategic integration through qualitative indicators. As already touched upon, while there was a separate personnel department, there was however no personnel function at board level. In comparative terms this suggests that the role of personnel, despite the existence of a personnel department at Merchant Co., was less influential than the roles occupied by the key actors at Water Co. (Chief Executive) or Chem Co. (Operations Director).

In addition, while it was reported that key employee relations decisions were devolved to line managers, this was a consequence of fragmentation and different managerial attitudes rather than a conscious approach which encouraged line managers to take key decisions. This has already been expressed by the personnel manager, and to recap:

“managers think its simple: ‘well, I don’t believe him, I’m gonna dismiss him’ ... The problem is getting them to go through this department [personnel] ... some managers don’t even wanna deal with us and think we’re a waste of time and space. Some managers out there are a bit, ‘I know what I’m doing’ sort of attitude.

Personnel Manager

In short, the extent of ‘strategic integration’ revealed in chapter five is questionable and considerably more dynamic than that revealed by policy indicators alone.

The third level of analysis assessed the meaning and interpretations by actors themselves. Crucially, this differed both at the site studied and across the organisation as a whole, as one department manager commented that:

“there’s really a very wide spectrum. Some managers have staff meetings, some are keen on wall charts showing the graphs on how well they are doing and some tell them [employees] about health and safety issues or get manufacturers in to give training on products that we stock. What makes it very difficult is you’ve got those who just don’t seem able to confront a situation and they never adopt the direct managerial approach”

Departmental Manager, Internal Audits (head office)

In addition, data was collected from employee interviews and observation, which indicated that the interpretations of management style was often complex. It also confirmed that individual managers had the capacity to shape relations which influenced the perceptions of trust in the relationship. For example:

“I think they put a lot of trust in us as staff in the department that I’m in, but that wouldn’t necessarily be the case downstairs [ie warehouse]”

Clerical Employee, Marketing (head office)

“[employees] probably trust their own branch manager, but they certainly don’t trust head office management is the feeling I get very much”

Clerical Employee, Internal Audits (to branches)

“most [in the warehouse] usually end up resenting the management ... they [warehouse staff] think they [management] don’t care and we’ll just crack on and do what we want most days, ... I think they know we’ll be getting along better the more they leave us to it really”

Manual Employee, Warehouse

“I know there’s some [managers] who can take a general dislike to staff and then find any excuse to discipline them and at the end of it sack them ... and others are much nicer in how they speak and that”

Clerical Employee, Customer Accounts (head office)

The style and approach of individual managers evidently differed substantially. What was significant at Merchant Co. was the absence of any single actor capable of influencing style across the organisation as a whole. There existed a gap between the policies and practices of management. However, this was more a reflection of size, internal fragmentation and board level decisions which subordinated the role of personnel. To this end, management style at Merchant Co. was influenced by competing and hierarchical managerial philosophies. This implies that while management style can be shaped by board level (i.e. first or second order) strategies (Purcell and Sisson, 1983; Purcell, 1987), the ideologies of certain managers are evidently important determinants which cannot be easily disregarded.

EMPLOYEE VOICE

Data concerning non-union voice was collected in two ways. The first was to examine the range of voice mechanisms, the second was to explore the utility of these mechanisms from the perspective of employees.

1) VOICE MECHANISMS

The company questionnaire provided information on the mechanisms used in Merchant Co. (questions 32, 35, 43 and 44 - appendix one, part 2). The main methods ranged from team briefings, individual channels of communication, appraisals and that employees 'always had the opportunity' to speak to management direct. In practice, however, team briefings tended to be sporadic. Some managers carried these out infrequently while others conducted staff meetings on a more regular (often weekly) basis. In short, the use of these voice mechanisms depended upon individual managerial preferences in different departments or branches.

There was also reliance on e-mails, internal memos and company notice boards to disseminate information. For example, one communication tool was a staff newsletter entitled ‘good news-bad news’, which reported areas of commercial success as well as areas of weakness. Significantly, none of these voice mechanisms sought to ‘consult’ employees and they therefore represented little more than a series of ‘top-down’ information channels. The personnel manager commented:

“reliance [is] on supervisory views ... We don’t give people much choice ... it’s implemented in here through the board, personnel or line manager teams ... the message [is] that the rules are important and should be used”

II) VOICE UTILITY

The employee survey was used to further explore employee voice at two levels. The first was to analyse different perceptions of voice utility (see table 10.1) and second, to subject these perceptions to further examination using several statistical tests.

The results in table 10.1 give a clear picture of voice utility. For example, there was no respondent who said they had the opportunity to speak to management about wages and, while a small majority (45%) said that management did communicate change often, only 7% felt involved and even fewer believed management took cognisance of their views (6%). In short, there was a low incidence of satisfaction for non-union voice mechanisms.

Table 10.1: Indicators of Employee Voice Utility (%)

Question/Statement *	Agree	Not Sure	Disagree
<i>In your job do you often inform supervisors that you can do your job well (q40a) +</i>	3	33	64
<i>In your job do you often suggest to supervisors improvements in the way your job is done (q40c) +</i>	25	33	42
<i>I speak to management often about my wages and conditions (q41) +</i>	0	18	82
<i>Employees are very much involved with management in making decisions in this company (q34)</i>	7	13	80
<i>When decisions are taken which affect my pay or work, employee views are taken into account by management (q42)</i>	6	15	79
<i>Management communicate changes about work often (q46)</i>	45	21	34

* Some questions/statements are paraphrased for consistency with an agree-disagree continuum response. A seven point Likert-type scale was used, and for simplicity responses are grouped under 'agree', 'not sure' and 'disagree'.

+ These items factored together to form factor 5 in appendix 3, labelled dialogue/communicating with management.

The second level of analysis was the computation of several sub-scales of voice which were subjected to various statistical tests (appendix M10.1a). On a combined scale of 0-36, Merchant Co. employees showed a small positive attitude to voice utility by + 0.24 points.

There were some statistically significant results for each of the sub-scales, and Voice1 (opportunities to engage in dialogue with management - factor 5 from appendix three) was found to be the most positive. All other sub-scales were marginally negative. In short, there was little utility from either feelings of being involved with management (Voice2) or having employee views taken into account (Voice3) (see appendix M10.1a).

Subsequent tests for statistical significance were found for one of the independent variables. Here, current union membership was associated with a much more negative view of voice utility ($p < 0.5$). From this, cross-tab output

showed that all respondents who were union members (n=4) were less supportive of overall voice (see appendix M10.1b). Subsequent correlational analysis showed that Voice1 (opportunities to engage in dialogue with management) was strongly associated with the overall scale for voice utility (see appendix M10.1c). This suggests that the prevailing climate could be more important for different sections of the workforce in accounting for patterns of influence, and this is explored next.

CLIMATE

As with previous case study chapters, climate was explained in two ways. The first concerned 'inter-personal climate', and the second assessed issue-centred climate, which reflected the salience of employee concerns handled by management.

ISSUE-CENTRED CLIMATE

Generally, employees who were interviewed suggested that there was a high incidence of discipline, staff grievances and appeals compared to any other case study, which may explain the degree of trust in the relationship. All respondents interviewed were aware of the discipline and grievance procedure and three of the twelve employees had direct experience of raising a formal complaint with management. Examples were given about matters such as perceptions of unfair treatment for overtime (warehouse employee) and an appeal against a supervisor's disciplinary warning (clerical employee for lateness).

These particular incidents of management's handling of concerns were given in a favourable context when related to the role of the personnel function, although less so when related to the roles adopted by line managers. One implication is

that the climate differed both horizontally (i.e. between departments) as well vertically (i.e. between the line and personnel). For example:

“I’ve been given two warnings with the lates ... I’d range-in and explained that ... [the] childminder was sick and [I] had to travel to my parents ... [the personnel manager] was very understanding and had more time to listen than my manager ... that helped me a lot with the worrying and all”

Clerical Employee, Marketing (head office)

In addition to the qualitative accounts, data was collected from the employee survey and the summary results are given in table 10.2. A majority of employees suggested that the prevailing ‘atmosphere’ of issue-handling was less than satisfactory: 50% believed it did take a strong-minded individual to stand-up to management, while 37% suggested they would be labelled a trouble-maker if they questioned management.

Table 10.2: Indicators of Issue-centred Climate (%)

Question/Statement *	Agree	Not Sure	Disagree
<i>I would be labelled a trouble-maker if I question management decisions (q28)</i>	37	42	21
<i>It does take a strong minded individual to stand-up to management (q37)</i>	50	18	32

* Some questions/statements are paraphrased for consistency with agree-disagree continuum responses. A seven point Likert-type scale was used and for simplicity responses are grouped under ‘agree’, ‘not sure’ and ‘disagree’.

These statements were used to compute the sub-scales for issue-centred climate (see appendix M10.2), and on a scale of 0-12 Merchant Co. showed a small positive deviation of + 0.5 points.

INTER-PERSONAL CLIMATE.

Table 10.3 shows a number of responses from the employee survey as another indication of the prevailing atmosphere categorised as inter-personal climate. Table 10.3 shows that most employees ‘got-on well’ with their manager (87%) and were prepared to work hard for the company (76%). While a majority suggested there was no workplace tension (32%), another 26% suggested there was and a further 42% were not sure. The main negative indicator for inter-personal relations was that a large number of respondents did not mix with one another (58%), despite observations to the contrary in the warehouse and among small office teams.

Table 10.3: Indicators of Inter-personal Climate (%)

Question/Statement *	Agree	Not Sure	Disagree
<i>I get on-well with management (q32) §</i>	87	7	6
<i>I am willing to put in extra effort for company success (q33) §</i>	76	11	13
<i>There is a tension between employees and supervisors (q30)</i>	26	42	32
<i>I often mix and socialise with colleagues from work (q38)</i>	25	17	58

* Some questions/statements are paraphrased for consistency with agree-disagree continuum responses. A seven point Likert-type scale was used and for simplicity responses are grouped under ‘agree’, ‘not sure’ and ‘disagree’.

§ These items factored together to form factor 7 in appendix three, labelled informal/social relations.

From this survey data, three sub-scales were computed for inter-personal climate and results are given in appendix M10.2. On a scale of 0-24, employees reported a small positive deviation of + 1.5 points (see appendix M10.2a). Subsequent examination of possible differences by biographic features found that gender was statistically significant for the inter-personal sub-scale ($p < 0.03$) and the overall climatic scale at the $p < 0.05$ level (see appendix M10.2b).

Taken together, the measures for issue-centred and inter-personal climate produced a positive view of overall climate among employees, by + 2.0 points

on a combined scale of 0-36. There were some differences in each of the separate sub-scales, with employees less supportive of issues handled by management (+0.5) than they were for inter-personal relations (+1.5). One implication is that relations at workplace level had a stronger bearing on the relationship, to which the different managerial philosophies at workplace level provided some explanation. There is some further support for this from a correlational analysis. This showed that inter-personal climate was a more significant element of overall climate, further pointing towards the personal dynamics a source of influence in the relationship (see appendix M10.2c).

ACTOR ATTITUDES

The final section in this chapter provides an exploration of actor attitudes as a guide to potential action and behaviour in the relationship. As with other case studies, the analysis was conducted in relation to specific attitudinal objects. Tests and measures for internal consistency were carried out and are explained in appendix W8.1. The full results for Merchant Co. are given in appendices M10.3 to M10.6.

ATTITUDES TO MANAGEMENT

First, three separate sub-scales were used to capture the relativity of employee attitudes toward management and second, possible differences were explored by using various statistical tests along several independent variables.

Overall, employees expressed a small negative attitude to management by - 0.8 points (on the scale 0-72). The only independent variable of any significance was length of service ($p < 0.05$, appendix M10.3b) and employees with four or more years service were more positively disposed towards management than those with less than four years service (84 and 37% of each respective groups

were positive about management). One implication is that employees became 'accustomed' or 'used to' their manager over a period of time.

Of the three sub-scales used for attitudes towards management, perceptions of 'institutionalised trust' (from appendix three) was the most negative attitude expressed by employees.

The correlation analysis further suggested that the strongest relationship between these sub-scales was that of 'supervisory control' and 'institutional trust', followed by managerial 'rule enforcement' (see appendix M10.3c). Additional indicators of the general attitude towards management also emerged when analysing trade union attitudes and these are reported next.

GENERAL ATTITUDES TO TRADE UNIONS

Again, the two sub-scales previously explained in appendix three were used to compute and analyse differences by ideological and instrumental employee values. The mean scores and extent of positive/negative deviations, together with the tests for statistical significance are given in full in appendix M10.4.

Employees at Merchant Co. ranked second to Chem Co. in their attitudes about trade unions (+ 9.4 points on a scale 0-42). Further, the 'pattern' between ideological and instrumental values was comparable to other organisations, with ideological values greater than instrumental perceptions (see appendix M10.4a). Statistically significant differences were found for the independent variable 'current union membership' in relation to 'instrumental union attitudes' ($p < 0.05$). In short, nine of the ten union members suggested that a union could 'improve pay and conditions' and could make their 'job more secure'. The one union member who did not express any clear positive union attitude was 'not

sure'. Further analysis by previous union experience was not statistically significant (see appendix M10.4b).

In addition, qualitative data was collected from all respondents. None of those interviewed was a current unions member, but two employees had experience of a union relationship from a former employer and deeper meanings about the prevailing attitudes towards trade unions was analysed. As noted earlier, Merchant Co. projected a commercial image during its flotation on the Stock Exchange as a company with 'few union members'. The personnel manager articulated a preference for non-unionism, which provided some hints about the extent of union avoidance at Merchant Co. For example:

"We're a non-union based company and we will not go into a union environment ever, that's important here and for the board very much I'd say"

Personnel Manager

One similarity with Chem Co. was that to maintain a non-union relationship, management at Merchant Co. recognised some degree of effort to avoid the potential triggers of unionisation, which can account for some of the trust identified in the relationship. For example:

"In the absence of a sort of union, talking to people one-to-one and making sure everybody's in touch with what's going on can be most difficult ... Too much change ends up being a demotivator ... You just get settled on something and all of a sudden you're off changing something else. That's one of my concerns that that might get people thinking about unions and all they see is change and change"

Personnel Manager

However, the recognition that management have to work at remaining union-free was more a personal belief of the personnel manager. Other managers

generally acted in a way which ran contrary to this belief, which can account for the ‘them and us’ attitudes as a feature of the employment relationship. For example:

“Say a manager’s not happy with somebody’s performance or whatever. They will tick them off or they may say to us, don’t pay this person the 2% rise or whatever because of their performance, and it should be up to the individual manager to sit down with somebody and explain why they’re not getting the 2% increase ... some are very good at it and then there’s others who just won’t do it and we end up getting calls [from staff] when their manager should have done it long ago”

Personnel Manager

The experiences of employees provided some explanation of the differences in ideological and instrumental attitudes towards unions, with the main barrier to unionisation being a combination of managerial action and the prevailing socio-political climate which emanated from previous governments. For example:

“the position is that unions haven’t the clout they used to have ... this lot [management] know they don’t have to listen to unions, so they won’t”

Warehouse Employee (head office)

“By virtue of the fact that there is no trade union representation here and management don’t have to accept one, means the employees really do suffer under the management at the end of the day ... they don’t have the wherewithal to mount any alternative case”

Departmental Manager, Internal Audits (head office)

“I think for staff it’d [a union] probably be pretty good, but I don’t think the management would allow it because some of the changes that they keep making I’m sure would not stand up to trade union pressures at all”

Clerical Employee, Internal Audits (to branches)

As with other case studies, it is evident that management prefer a non-union relationship and behave in such a way as to maintain a union-free organisation. Similarly, employees appear to be largely supportive of the general principles of trade unionism, although less so when the role of unions was contextualised within their immediate work environment. What was more complicated at Merchant Co. was clear evidence of any distinction between union 'suppression' on the one hand and union 'substitution' on the other. The personnel manager articulated a view that to maintain the non-union status of the company, the management should put in the effort to communicate and engage employees, which would resemble a form of union 'substitution'. However, the different approaches by line managers indicated that these did not prevail in practice. In this respect a distinction between either a union suppression or substitution approach was blurred. On balance, there is more discernible evidence which suggested that management avoid unions by manipulation than pure suppression or substitution. This also helps explain some of the central dimensions of the relationship found at Merchant Co., such as low trust, unilateral regulation, formalisation and high 'them and us' explained in chapter seven.

GENERAL WORK SATISFACTION AND EXPERIENCES

As in previous case study chapters, four separate sub-scales were computed for general attitudes to work and the results are given in appendix M10.5. This data was analysed at two levels. The first was an examination of each sub-scale and the second was to search for differences among several independent variables.

Merchant Co. employees were generally more positive about their work than they were about management. This is represented by a positive deviation of +

2.2 points on the scale 0-54. Employees were also positive on three of the four sub-scales and neutral to the final sub-scale (job satisfaction). For the sub-scale 'work attachment', occupation was statistically significant ($p < 0.03$) and for 'intrinsic work values', age and former union experience were statistically significant ($p < 0.03$). For overall attitudes about work, age was similarly significant ($p < 0.05$) and employees aged 21-30 and over 41 years of age were more positive than the age band 31-40 years (see appendix M10.5a and M10.5b). In other words, most employees were mildly positive, although those who had a longer job tenure and those with no prior experience of unionisation, were more favourably disposed to their work than others.

This points to perceptions of 'intrinsic work value' as a possible influence on work experience, which was also found in the correlation analysis were 'intrinsic values' of the relationship affected the overall work experience scale (see appendix M10.5c).

GENERAL ORIENTATIONS TO THE COMPANY

The aim of exploring employee attitudes towards the company allowed additional subtleties to be explored which might not be expressed when examining attitudes toward management or work.

A small positive response from Merchant Co. employees was identified (+ 0.3 points on the scale 0-30). Of the two sub-scales used, 'organisational commitment' was more positively recorded than that for 'company values'. These distinctions can be important. Employees were more positive about aspects of their work than they were about their values towards the company or management. There were no statistically significant differences along the range of independent variables examined. The correlation analysis showed that

‘organisational commitment’ was a stronger determinant of overall company values (appendixes M10.6a - M10.6c).

In addition, qualitative indicators about the subtle differences between being attached to the actual job and being supportive of management were revealed by several respondents. It was also significant to note job-related attitudes emanated from climate. For example, manual employees suggested they enjoyed their work because of the ‘good crack they had with their work mates’. Hence distinctions between work, company and management can be blurred when the underlying motivations overlapped with friendly relations among co-workers. As a source of influence, it appeared that the values of the company were secondary to the personal and social relations found at workplace level.

SUMMARY AND CONCLUSIONS

As with the preceding case studies, descriptive tabulation was used as a tool to analyse those factors which can explain the processes of modification. These are reported in full in appendix M10.7.

Merchant Co. was selected for this investigation on the basis of several criteria. It was a larger company than those of the previous two case studies. It had a personnel department and displayed a number of relationship features which mirrored a more structured and formalised approach. It also had the advantage of employing different (manual and non-manual) occupations, had been non-unionised for over 50 years and there was some evidence of union de-recognition (although on closer examination this proved less significant for the head office site studied). In addition, Merchant Co. had experience of the harsh realities of the market to a greater extent than any other organisation studied and these provided important factor differences which warranted closer examination.

In explaining what the employment relationship *is* at Merchant Co., several dimensions were examined in chapter seven. These pointed to a 'management as leader' typology, for which the rationale was given in chapter two. However, the evidence presented in this chapter suggests that the relationship was considerably more 'manipulative' as a number of complicated issues stood-out as particularly important.

First, the general climate emanating from government policy and legislation provided management with a distinctive advantage in regulating the relationship. Second was the role of technology and in particular, its use to restructure work tasks. One spin-off from this was that management were able to influence employee behaviour because of economic rationality in the name of a JIT stock inventory system. Third is the strong influence from the product market. The most dramatic outcome of this was job losses and further issues were apparent in the labour market (internal and external). Those who remained with Merchant Co. after the redundancy exercise certainly feared for their job security, which can help explain the relatively lower instrumental identity to trade unions. It is probable that employees were fearful of their future and, in the context of social exchange, they had to rely on management to fulfil its cost-benefit obligations. In this respect, employees were much more dependent upon the organisation.

Management style can be regarded as a fourth influence and at Merchant Co. This varied more so than that found at Water Co. or Chem Co. Above all, there was no evidence of any single dominant actor which appeared to shape management style and other influences on style were related to board room decisions, market pressures and the prevailing socio-political climate. There was

also mixed voice utility among employees, with little evidence of consultation or involvement. This can also be a reflection of style, which pointed to stark differences in managerial preferences across the organisation (both horizontally and vertically).

A prominent influence at Merchant Co. was the climate, as this was also linked with several other factors. For example, issue-centred climate explained some regulatory approaches identified in chapter seven. Many employees demonstrated a high degree of policy and procedural awareness. However, the satisfaction of issue-handling differed by hierarchies and this mirrored the variety of management approaches. Analysis also found identifiable group cohesion among sections of the workforce, which pointed to inter-personal climate as an important avenue for employees to seek satisfaction of their needs and wants, which on most occasions was found wanting.

Finally, there were some influences from the patterns of employee attitudes. Significantly, while employees were supportive of their work roles and were attached to the company, this did not correspond with supportive attitudes about management. The lower instrumental union attitudes suggested that managerial regulation of the relationship acted as a barrier to possible unionisation. While this evidence from Merchant Co. can depict union suppression as much as substitution, managerial approaches were ultimately more manipulative and this served to consolidate the non-union status of the organisation to management's advantage.

CHAPTER ELEVEN

DELIVERY CO

A CASE OF SOPHISTICATED HUMAN RELATIONS ?

INTRODUCTION

This chapter reports the findings for the final organisation studied, Delivery Co. It commences with a brief overview of the features used in chapter seven to describe the employment relationship and then explores possible influences on the relationship.

DELIVERY CO: EMPLOYMENT RELATIONSHIP OVERVIEW

With the exception of formality, Delivery Co. ranked top out of all four organisations along the five dimensions used to describe the employment relationship in chapter seven. For formality, Delivery Co. was ranked third, which located it at the informal end of the dimension - a surprising result for a large, multi-national organisation. Its HR strategy was tilted towards a proactive approach and the company had the least degree of 'them and us' between employees and management. Taken together, these features indicated a relationship which could be described as a 'participatory/partnership' type, reminiscent of union substitution through the use of sophisticated human relations techniques. In what follows, possible influences are examined to explore the processes of modification on the employment relationship.

EXTERNAL FACTORS**GOVERNMENT POLICY AND LEGISLATION**

For questions 47 and 48 in the company questionnaire (managerial advantages from non-union status and employment legislation), Delivery Co. responded at 3 and 6 respectively. In other words, non-union status was used as 'marginal advantage' to management, while employment legislation was not regarded as significant in shaping the relationship to management's advantage. A similar indifference to unions was expressed at a qualitative level by several

respondents, although the possibility of legal union recognition [1] elicited a different response and points to deeper complexities. For example, the Personnel Director commented:

"[We] couldn't see what a union could add. We've got extremely good employee relations, we benchmark our employees with normal groups and with other companies across the UK and we come out best. What more could a union add [to] that, we seem to be fair, our turnover's well below the industry average ... If there are issues around health and safety and around things like discipline then [Delivery Co's] got processes and places to tackle that as well.

However, the prospect of a New Labour Government changing 18 years of industrial relations policy gave an additional interpretation of subjective meanings concerning a wider (macro) industrial relations climate. For example:

I don't think they [the Government] would force us. I'd be surprised if there was a ground-swell of interest from staff from these new ideas ... We're not too sure how to tackle them yet. We understand a bit more, we'd put some effort in to handle it our way because we think it's the right thing to do ... I can see that where you haven't got a particularly progressive employer, wages rates are below the market, you've got health and safety issues and a lot of inconsistencies and inequities. In our environment you've only got better working conditions, better pay conditions"

Personnel Director

Evidently, while conservative anti-union laws were neither used nor supported as a direct influence on the relationship, it was apparent that the prospect of a New Labour Government having different policies prompted a change in outlook. In other words, from a context and discourse perspective, the evidence suggests that Delivery Co. 'preferred' the prevailing IR climate over

¹ During the research this was frequently in the media in the sense that a (then) future Labour Government may promote union recognition.

the ‘*possibility of what may be*’ (i.e. legal union-recognition), and this emerged as source of influence, albeit indirectly. This possible change in employment policy was regarded as important in that the matter had evidently been given some serious thought at a senior level in the organisation. It is also important as these ‘possible’ external influences were evaluated into an idealised employee relations outcome, insofar as management hoped they would have little impact on the relationship. For example: “*I’d be surprised if there was a ground-swell of interest from staff from these new ideas*” (ibid). Equally important is that management did not rely on an ‘idealised’ possible outcome with employees displaying little interest in unionisation; they also sought to ‘understand’ the implications and responded by handling it in ‘their way’.

Overall, there was no immediate evidence that anti-union legislation was used as a direct influence on the processes of modification. However, more subtle inferences can be made as the wider socio-legal climate can be seen to impact on other relationship influences, such as managerial style and HR strategy. The significant point is not so much whether these new government initiatives could have an impact, but that management perceived them to be serious enough to re-evaluate the effects on the relationship.

TECHNOLOGY

From responses in the company questionnaire (Q46, 1=definite investment to 7=no technology investment), Delivery Co. responded with a score of 3; the same as Chem Co. While this represents a medium orientation to the use of technology, the sheer size and global infrastructure of Delivery Co. means that in absolute terms the organisation utilises technology to a much larger extent.

For example the company owns more than 12,000 vehicles, 200 aircraft and spent \$1.5 billion on capital investment between 1993-96 [2]. Thus while there is a similarity between Chem Co. and Delivery Co. regarding managerial responses to the use of technology, the very fact that the latter organisation is much larger than the former should be noted, as the impact of technology and the uses to which it can be put differ substantially.

A second level of data analysis was used to explore the context of technology, with the main rationale for such investment explained in relation to market demand. One indication was that matters arising from technological investments then became industrial relations issues, especially functional flexibility. The Personnel Director commented:

“Customer expectations are changing as they are in every market. They want more, they want more sophisticated interaction with our people, we’re putting more technology in the place so our people are having to learn to use some quite complex functionality now than they ever had to in the past”

At another level data was collected about the impact of technology from actor experiences and from the author’s observations. This was analysed in several ways. The first revealed that the forms of technology differed quite significantly, by occupation, geography and job function. For example couriers, operations and sales [3] employees were all subject to intensification of effort, surveillance and monitoring through the uses of technology.

Couriers deliver and collect parcels from customers. They are also responsible for parcel distribution between hubs (say at an airport) and individual stations.

² Delivery Co. annual report, 1996.

³ These occupational groups each represented 15%, 25% and 25% of the population sample.

The most significant impact of technology is related to what the Personnel Director referred to as 'interaction between customers and staff'. Every Delivery Co. vehicle is equipped with tracking and surveillance technology so the driver's location can be pin-pointed at any time. Messages are conveyed between a centralised function and driver, so that changes in delivery details or new customer parcels for collection are made direct to the driver on the road. Equally important is that major customers [4] can use internet technology designed and patented by Delivery Co. to track where their parcel is at any time across the globe; on a plane, in a warehouse or in the back of a van.

For couriers this meant that technology had important control implications. For example most couriers spoke of breaking legal speed limits as a normal part of their work in order to meet deadlines set by customers and the centralised despatch function. Furthermore, the role of courier as delivery driver was much more complicated because of the technology used to record and send messages while 'out on the road'. One courier commented:

"[T]here's stuff like finding out the destination code, exactly which depot to send it; it can be anywhere in the world. When we are actually collecting a shipment you are sorting the paperwork out there, you have to do it then because there's that much pressure on you. I'm quite fast because I've been doing it for five years. I know a lot off by heart. It's not hard, but when you are in a rush it can be easy to make a mistake ... everything is worked to a time-scale. You have to be in one place at a certain time and then you have like two or three minutes to get to the next place."

A second area of technological influence was found in the call centre at the East Midlands site. Significantly, the technology differed but the influence was similarly control-orientated. For example, individual performance and

⁴ A major customer is one who has a regular contract with Delivery Co., more often than not having parcels for despatch on a regular, daily basis.

general customer quality approaches were monitored continuously. Further, as found at Water Co., the nature of this particular type of work was discovered to be an influential factor on employment relations.

The East Midlands site is the national call centre for Delivery Co., employing over 1000 call centre operatives, mostly women. Employees work in teams of approximately twenty and each team is divided into smaller units comprising five employees who all work together around a work station. Each team has a set geographical area from which calls are fed automatically. There is an electronic display screen which informs all employees of their team's performance (calls answered, calls waiting; success rates etc.). A carefully worded telephone salutation must be used and supervisors monitor quality performance hourly.

However, in contrast to Water Co. there were some important differences in the nature of this type of work. One was that staff were not physically separated by partitions; another difference at Delivery Co. was a flatter managerial structure, so that lead agents and team leaders were engaged in the same work activity as call operatives. Another key difference which complicated the influence from technology was the use of wide (and at times far-reaching) employee involvement techniques. For example monthly team meetings, newsletters and e-mails were used regularly to communicate and employees had a high degree of autonomy to solve customer problems without reference to management.

The impact of technology is difficult to distinguish from other overarching facets of the work milieu. However, the ability and uses of technology to

control and monitor employee performance was almost absolute. Each operative had to answer 70 calls per day, which does not take account of the nature of the customer query or problem to be dealt with. Exceptionally, lengthy queries (known as traces) can be used to trade-off below target results, which was up to the discretion of the team leader. One operative explained the nature of her work thus:

“It’s a very heavy workload. You have obviously a lot of targets you have to meet, like your calls, your monitoring how many calls you take, also you have traces to deal with. You have got [to receive] 70 calls ... and also get you’re 5 out of 5 bookings to reach you’re target to get the bonus ... so every month they check randomly five bookings, so you have got to have them 5 right each month to get your bonus ... which is Next vouchers or the like”

In summary, technology can be seen as a highly significant influence on the relationship. While the type of technology differed by occupational function, this did not lessen its impact as a source of influence over employee effort, behaviour and performance. For Delivery Co. technology may well have assisted better organisational performance and service delivery; but it also had the capacity for high social control. Finally, one brief comparative comment about technology is relevant here. Initially, it could have been expected that these employees would display some of the tensions and issues found in the small call centre at Water Co. However the findings differ fundamentally at Delivery Co. with regard to the complexity of relationship outcomes. Briefly, employees appeared to enjoy their work to a greater extent, displayed signs of motivation yet also spoke of stress and intensification of effort. While one key difference is size (around 15 staff with one supervisor at Water Co.; 1000 at the Delivery Co. site), there are other fundamental factors which can explain the differences; namely, a flatter managerial structure with team leaders and

lead agents engaged in the same work activity, more sophisticated employee involvement techniques and different incentive rewards (i.e. shopping vouchers).

PRODUCT & LABOUR MARKETS

The product market was found to have several influences on labour relations and data was collected using the company questionnaire and employee interviews. One key difference between Delivery Co. and Water Co. and Merchant Co. was the nature of competitive pressures. In the latter companies price was the major basis of competition, while for Delivery Co. the strategy was to emphasis a high quality service above price-cutting considerations. The Personnel Director explained:

“The market is a very vast market, everything’s offered as overnight for Europe and all the rest of it. So just around the place people get energised by achieving very tangible results which are more often than not only very short term results ... in addition to all that we do play on the humour a lot, make our service a very warm, customer quality friendly service to stay ahead in a vast and fast market”

At a lower company level, station managers arguably had a more direct experience of day to day market pressures and the distinction between stressing a ‘warm and friendly’ customer service was less apparent. Significantly, the impact of market pressure brought home the impact of centralised control in other ways. The Liverpool station manager suggested:

“We try and stay ahead of the competition basically by trying to counter any moves that they may make. UPS are a big competitor of ours and we do keep our ears and eyes open as to what they’re doing and try and always keep one or two steps ahead of them ... I’m not allowed to touch the price. The actual prices are set as per the tariff but I have a certain limit at which I can discount to the main competitor in my area. Above that, discounts go higher up the field to an area director”

Similarly, the Leeds station manager spoke of quality service elements which brought out both the hierarchical control structures and carefully engineered commercial image of Delivery Co:

“We don’t offer overnight deliveries. We can’t make that guarantee, our competitors give that guarantee but we know they can’t meet it because there’s so much that can go wrong. We guarantee delivery and what we can guarantee is it’s in the same time as any competitor; better, more efficient and more professional and that’s where we’ve stood out. We do overnights most of the time but it’s not to be given in any guarantee and we explain that to customers. You don’t get [Delivery Co.] vans running on baldly tyres for example, which is what we compete against a lot of the time”.

Crucially, the approach of responding to market pressures with a mix of ‘customer care’ and ‘professional service’ had evident relationship influences. For example, the courier who explained earlier that ‘breaking legal speed limits’ was a necessity to meet customer deadlines and call centre work which was subject to detailed surveillance in order to evaluate and monitor the quality of customer care, all emanated from market pressure as well as being fuelled by the technology employed.

In this respect one similarity with Chem Co. is noted. The way Delivery Co. responded to market pressure is more important than the actual ease of market entry for other competitors as a source of influence.

In addition to product market influences, the ease or difficulty of recruiting suitable employees was examined. Overall, Delivery Co. had a low turnover of employees (fluctuated between 2% and 5%), although two particular findings were important. One was that despite the large, multi-national status of the

organisation, recruitment practice was often informal and dominated by the use of family and friendly networks (although informal is not the same as *ad hoc*). The second finding was the significance of a core-periphery labour strategy, and these are elaborated in what follows.

First, for recruitment and retention the Personnel Director described a bundle of sophisticated HRM-related techniques. For instance, the use of external recruitment agencies, national media advertising, personnel as an advisory support function to station managers, formal interviews and carefully designed selection tests to recruit the 'right person' to fit Delivery Co's culture. However, on the other hand there was a high degree of reliance on informal and less sophisticated practices which utilised a network of existing employees. In the Liverpool station one courier commented:

"I had my brother-in-law put in word for us"

Similarly, in the larger East Midlands site employing over 1000 people, another employee remarked:

"My sister actually worked here and she'd phoned and said do you want to come for an interview, because a new cohort had been set up and some people had not turned up. I came and had an interview and was offered the job. I actually started the following Tuesday"

Thus as with Chem Co., the use of informal practices prevailed. This did not cause a problem in recruiting employees and overall labour turnover was low (around 4% annually). However, one immediate implication is that Delivery Co. were seeking to replace like with like. This may have serious equal opportunities implications (males recruit males etc.) but it also suggests that a

form of peer group pressure could be used to shape attitude and behaviour. As explained below, few employees were union members and many of those interviewed had little former experience of unionisation.

The second finding was a core-periphery labour strategy which applied to a large proportion of the workforce. Operations staff typically sorted parcels either at major hub centres (such as Heathrow or East Midlands) or smaller local stations across the country. One complication was that at the major hub centres operational employees were mainly permanent, full-time workers employed on various shift patterns, whereas at smaller stations the same grade of employee was almost always part-time, and often recruited among students.

There are at least two immediate implications from this as a source of influence on the relationship at Delivery Co. One is that peripheral workers may traditionally be viewed as having a lower interest in unionisation and this helped maintain the non-union status of the organisation. A second implication is that because the work is 'expected' to be casual and short-term, the nature of relations were very different and more exploitative than for other categories of worker. Thus while Delivery Co. may 'substitute' unionisation with core employees, the same does not hold true for all workers. For instance, at the small stations these 'peripheral' employees usually worked toward the end of the day (typical shifts being 4pm-10pm), had little interaction with other (i.e. core) employees and were physically separated from office, courier and sales staff.

In summary, the findings for product market influence were more complicated than 'ease of entry' for competitor companies. Significantly, it was the

analysis of both perceptual and objective data that led to deeper inferences; not least that issues arising from customer care and quality initiatives then became employee relations matters. In the labour market it was found that a combination of sophisticated recruitment and selection methods overlapped with less structured practices dependent upon a network of informal contacts. Further, the apparent 'core-periphery' divide, mostly relying on student workers in the latter, may have helped consolidate the use of sophisticated practices for core employees which avoided potential triggers to unionisation. In this respect, the use of peripheral labour was more than exploitative, it was based on both ideological and pragmatic business reasons which in turn helped to maintain non-unionism.

STRUCTURAL FACTORS: SIZE, OWNERSHIP AND NATIONALITY

Delivery Co. is the largest of all the case study organisations. It is a multi-national company employing over 50,000 workers world-wide with a constellation of foreign investors which makes nationality of ownership complex. Both perceptual and objective data was collected in several ways regarding the potential influence of structural factors on the processes of modification and this is reported in what follows.

SIZE

The size of the organisation represented a complex and contradictory set of processes which impacted on employment relations, although not to a significant extent. For example, station managers reported that personnel-related policies were strictly regulated and controlled from the company's head office, covering matters such as training, uniforms and general conditions. Yet on the other hand there was also a significant degree of latitude

for different sites to reflect local issues, such as rates of pay and marketing campaigns against competitors. Thus unlike Merchant Co., where fragmentation and a lack of co-ordination across the company meant that central control was difficult, at Delivery Co. these matters were carefully designed and engineered reflecting an 'architectural' model of personnel (i.e. Tyson & Fell, 1986).

Given the overall size of Delivery Co., further analysis was carried out which examined differences related to size of 'work unit' as opposed to size of organisation. One key finding is that in both small stations and the larger East Midlands site there were distinctive social and cultural processes particular to each establishment. For example in the smaller stations employee voice was more a matter of general day-to-day conversation, whereas in the East Midlands larger site, employee voice was dependent to a greater extent on formal communications such as e-mails and team briefings. Furthermore, at the East Midlands call centre different teams were encouraged to come up with their own form of social and cultural activity and two implications were identified. One was that these forms of activity (such as fancy-dress) relieved the pressure and stress of constant telephone work. The second implication was that such activities created an identity not necessarily with the organisation itself, but with key teams and work colleagues. In this way 'size of work' unit had a more subtle impact than size of company, although the influence was probably more on the climate than the relationship directly. One respondent commented:

"I've been here just over a year. The first few months I thought were really awful but since I got moved [to another team] it's great now. I mean it's still all very busy but before you were sitting here all day with somebody next to you and no one would even say good morning ...

There's teams which I know people just hate working in ... we can all have a good chit-chat and you won't find that in some [teams] ... we make our own laughs, we had a fancy dress day two weeks ago for Children in Need, and you could see other teams were made up for us, everyone in our [team] is keen to have a laugh"

Call Centre Operative (East Midlands)

The Personnel Director similarly stressed that 'fun and humour' was a key determinant in different locations as one way to counter-balance the large size of Delivery Co. as a whole:

"[W]e do play on the humour a lot ... very light heartedness. We're a fairly big organisation and we're getting bigger. We want to keep the small identity [and] that's why we'll break up some of the stations when they get too big. We'll open a new station and take a chunk off an old station to keep the units manageable and that's for an identity, a local identity ... They [the station managers] are responsible for morale in their station. Most stations will have days out every six months and they'll go to Alton Towers. Whole stations will come out on a Sunday and there's quite a lot of spirit within stations which I think helps lots of small bits work well, on the whole it tends to gel quite well together. You don't feel part of a big name which can be faceless"

The Personnel Director also added that:

"There are guidelines as you'd expect. They [the station managers] can't paint their vans blue with green logos, salary scales and a grading process have to kept on track with budgets. But at the same time within those parameters they can hire, they can fire, they discipline as necessary. To me these are line manager's decisions"

Thus against the large, potentially 'faceless' image of this multi-national organisation, there was a conscious attempt to manage some of the other features of bureaucracy in a particularly distinctive way. This said, the ultimate issue is one of causality and direction and these managerial initiatives could well have been a result of the climate or management style as much as a

response to Delivery Co's large size. Therefore, it should be noted that these separate relationship influences overlap and entwine with one another as a key to understanding the 'dynamics' of the employment relationship and its processes of modification.

OWNERSHIP/NATIONALITY

As with Water Co., Delivery Co. is foreign-owned and it is important to examine whether nationality of ownership is a source of influence on the relationship. Also similar to Water Co., foreign influence appeared to have some effect, although for different reasons. One key issue is that as Delivery Co. has grown, so too has the nationality of ownership. Thus while it was generally perceived to be an 'American company', ownership is widely dispersed among several corporate investors from America, France, Germany and Japan.

The influence of foreign ownership was explained as a simultaneous attempt to retain a distinctive international 'flavour' as well as adapt to host country practices. Briefly, employee relations matters were directed from the Brussels (world-wide) head office which set the 'international flavour' of the organisation. Each country head office was then registered as a separate company and responsible for ensuring practices were commensurate with the values and legal practices in the country. This was then filtered-down to separate station managers to reflect localised market factors, such as pay rates in London which could differ marginally to those in Leeds or Liverpool. The Personnel Director sought to capture the complexity of ownership influence as follows:

“In the UK we are part of what’s called the Europe and Africa region which is based in Brussels. Our shareholding now includes Japan Airlines, a Japanese holding company, a number of private individuals who are American, Dutch, German, Chinese and we’ve got English shareholders. So it is really a very international company. It’s a very decentralised company so each country tends to be a company. We are a British company, [Delivery Co.] in France is a French company ... We’ve got standards and things we have to work to, some of the procedures reflect the international management flavour which is cultured. There’s always the energy, there’s always the buzz, the friendliness. There’s very much an international planning thing so to speak. A bit of a cliché, but we do have autonomy from Brussels as well. We’re told what to do, we have to deliver a certain amount of revenue, we have people standards, we have to make a profit. There are certain service standards we are expected to adhere to or to improve on, beyond that there’s not a vast amount of input from overseas. In HR terms we are fairly independent in that we have to reflect the needs of the local [meaning British] market”

Perhaps a more simplistic version of foreign influence was articulated by one employee at the Leeds station, referring to work pressure, delivery deadlines and how individual targets are more often than not set by senior management:

“roads are straighter in America”

Courier (Leeds Station)

The implication is that delivery targets are easier to achieve in America than elsewhere and, ultimately, it is perceived that this is where key managerial decisions originate. Equally significant is that despite the diversity and complexity of ownership, this was not lost on employees as a source of modification and influence. While ownership influence was complex and difficult to measure, it was ultimately the perceptual and subjective interpretations surrounding ownership nationality which influenced attitude and behaviour.

PERSONNEL FACTORS**MANAGEMENT STYLE**

Delivery Co. was categorised as having a 'soft/strategic HRM' managerial style in chapter five, where it is listed as service sector firm 'A' in table 5.4. However, as with other case studies, data was collected in several ways and analysed with regard to deeper meaning and interpretations of management style beyond the McLoughlin & Gourlay (1994) schematic framework. These are reported in what follows.

The first is an assessment of the 'scope' of management style, which can explain some of the key relationship dimensions for Delivery Co.; in particular the HR strategy, basis of regulation and some hints at formalisation. Delivery Co. displayed the highest degree of each of the collective, individual and strategy integration measures. Of these integration and individualistic dimensions ranked top in comparison with other companies.

This was taken further with a deeper review of various policies as a key proxy of style, and a content analysis revealed some significant differences. On the one hand there appeared to be a close alignment of corporate aims with the management of employees. For example, the Mission Statement listed eight key objectives, of which the first three target the philosophy of 'employees as assets' and 'success through people' as central to corporate performance. Similarly, there existed a detailed staff handbook which not only outlined employee responsibilities and terms and conditions, but also emphasised an individualistic company objective of people 'achieving their ambitions, having fun and being satisfied'. One key lever in meeting these objectives is cited as a 'managerial can-do-ness philosophy' which encourages 'participation, team

spirit and community responsibility'. Thus given these broad proxy indicators it would appear that the style of managing employees was shaped by a more strategic alignment with business objectives.

On the other hand, the detail of the content analysis revealed a slightly different image. Significantly, important guides to managerial action fell short on several measures. For example, while the discipline code emphasised a 'corrective rather than punitive' approach, this was less than consistent with ACAS recommendations. There was an appeals process, but there was no explanation as to the precise stages, time-scales or managerial levels of decision-making. Similarly, health and safety policies referred to employer and employee responsibilities under the 1974 HASAWA, however there was no reference to European Directives incorporated into British law over the last decade. Finally, while there did exist an equal opportunities policy, contravention of which was listed as an offence in the discipline code, this was little more than a statement of eliminating 'outdated attitudes' and contained no explanation of what or how managers should deal with such incidents. On balance, a great deal was left to line manager interpretation and action in carrying out these guidelines, which may indicate that the style and approach of managing employees was less integrative in practice.

This possible difference was examined at a second level of analysis with regard to the extent of integration. While there were some differences across sites, in contrast to other companies there was more consistent 'integration' between policy intent and actual practice. Significantly, again in contrast to other case studies, there was no single key actor able to shape style across Delivery Co. While the Personnel Director had the title but no seat on the

company's main board of directors, this did not subordinate the function of personnel across the organisation. For example, employee performance targets (i.e. at the call centre and courier delivery schedules) were established at head office level and filtered down, thus eliminating supervisory manipulation. Training was also regulated by the personnel department. Senior managers took part in 'road shows' travelling the country to visit different stations to lubricate a flat organisational structure, which promoted an informal side to management as a key element in its approach backed by structured mechanisms. Indeed, this overlap between formal policies and the promotion of an informal approach was a key dynamic of style and strategy. For example, the Personnel Manager explained:

"[I]t's a very informal company, there's no list of this and that, it's all absolute first name terms ... we're also a highly measurable organisation and a lot of what we do is measured, what we call KPI - Keep Performance Indicators - and that's something managers are judged on carefully, how they treat people. HR get involved in groups to identify what's going on out there and that's fed back to everyone"

The third level of analysis focused on the meaning and interpretations by actors themselves, and while these differed across sites visited, the coordination of approach was much more apparent than in other organisations studied. For example there was a conscious approach to 'manage management style' in line with the (world-wide) corporate and ideological values of the organisation:

We very much see our culture [team spirit, openness, promoting humour] as a commercial differentiator that's made [Delivery Co.] a world success. It's important in the products and the motivation of our people especially We put a lot of effort into the op's supervisors and the station managers to communicate various issues. Sometimes that breaks down and you know that you don't get some messages right

through, they [the supervisors] just get lost ... There's almost a scan proof system which incorporates the HR advice, confidential focus groups and it helps, not always, it helps them stop getting too lost"

Personnel Director

"top management come and do communications and have road-shows so you get the chance to see them and speak to them which makes a big difference"

Call Centre Operative (East Midlands)

Additional data from employees was analysed, which pointed to some of the contradictions between nationally co-ordinated approaches to engineer a distinctive managerial approach on the one hand, and local relations with supervisors and team leaders on the other. For example:

"The style of management is very them and us, between the couriers and the top management team ... It's not we don't want to get on with the management, but they say one thing then do another - e.g. A national conference on a Sunday. Everyone that goes will be paid double time. What actually happened was lots of people give up their day off only to be told on the Tuesday after that no overtime will be paid. Say one thing, but then the station manager has to do the other".

Courier (East Midlands)

While the latter indicated a distinction between senior and local managers, another employee stressed that the personality of local managers was another important factor which could shape action and behaviour in the opposite direction. For example:

"Showing people up I think is the worst thing about managing people in this place. Paul's [station supervisor] really nice, if he's got something to say to me he will tell me quietly and so he's not showing me up, but Allen [station manager], he will just come out with it and show you up in front of everybody. He's the main problem in here. Allen says you're too fat to wear those trousers. That's what he's like ... then he will say I'm sorry for saying that, but I can't forgive him. When Janet's here

[regional manager] *it's different, everybody just gets on and more work's done because she's so much nicer in how she speaks to people"*

Sales Employee (Leeds Station)

In summary, management style at Delivery Co. was a significant yet complex influence on the employment relationship. While it clearly shaped prevailing attitudes and perceptions within the relationship, which could be either positive or negative, differentiating management style from other relationship influences is quite difficult. For example, the creation of an informal, humorous side to managing employees is evidently a key dynamic of management style, but it also overlapped with climate and an overall international strategic approach. Equally important is that style was not strictly a spontaneous informal preference in how to manage employees, but rather a carefully engineered approach which could also have been influenced by market growth, ideals of paternalism with a sprinkling of anti-unionism. In this sense, management style was more a mixture of HR 'strategy and ideological tactics' than the preferences of how do something that emanated from a dominant philosophy. Nonetheless, style was an extremely important element in shaping climate, attitudes and probable behaviour at Delivery Co.

EMPLOYEE VOICE

As with the preceding case studies, data concerning employee voice was collected in two ways. The first was to examine the range of voice mechanisms, and the second to explore the utility of these mechanisms from the perspective of employees.

1) VOICE MECHANISMS

In addition to interview data, the company questionnaire provided information on specific techniques used (questions 32, 35, 43 and 44 - appendix one, part 2). Delivery Co. was found to have the most extensive non-union voice and employee involvement (EI) schemes. The principle voice mechanisms were subsequently sub-divided into top-down communications and upward problem-solving coupled with some (mild) participatory initiatives. The former methods tended to be more individualistic and included not only staff newsletters, magazines, individual communication through appraisals but also senior managerial 'road shows' [5] to larger groups of workers across the country. Those mechanisms categorised as upward problem-solving included team briefings, quality circles and staff focus groups at a semi-collective level. In addition, an employee works council had recently been established at a European level, with staff forum groups comprising of cross-sections of the workforce used as a consultative mechanism in relation to benefits such as pensions (but not pay).

In practice the methods of team briefings and quality circles appeared to be in use at all sites visited, but in some workplaces more extensively than in others. At the East Midlands site, for example, respondents were generally very supportive of team briefings while at smaller stations, informal day-to-day communications with the station manager/supervisor were viewed as equally important. For example:

⁵ Observation of a senior management road-show revealed that this was essentially a way to disseminate information to large groups of employees (about 70 at the East Midlands site). While there was always the opportunity for questions from staff, few were ever asked and the format of the presentation arguably discouraged questions.

“Once a month we have a business unit meeting ... and Allen [station manager] gives us an update on how we are doing. Also people just inform Allen and the rest of sales what we’re currently working on and that. Quite a lot of communication really”

Clerical Employee (Liverpool Station)

“I keep up tabs with everything because I get on well with all my bosses, so anything that is relevant is usually thrown into everyday conversation. We do have regular team meetings and we’ve just started a newsletter now which I am involved in”

Courier (Leeds Station)

“[We] have team meetings, we are meant to have them once a month, but because of the demands we’ve got at the moment, we can’t do that, it’s more like every quarter. They answer all the questions and they tell us about how things are going but I’d say we do get more from the e-mails these days ... It can be from a lead agent or the Senior Management Team based in London, so basically they can’t travel up here all the time, just for communication, so we do get information a lot and it can be from anywhere in [Delivery Co.]”.

Call Centre Employee (East Midlands)

In summary, Delivery Co. used a variety of methods to communicate and involve employees and while the emphasis differed across the country, the underlying finding is that voice and communication was a high priority for management. Although schemes varied, this did not negate the role of employee voice to a significant extent, which on balance was a key source of influence.

II) EMPLOYEE VOICE UTILITY

In addition to the range of voice mechanisms at Delivery Co. the employee survey was used to further explore employee voice at two levels. The first was to analyse key employee voice and involvement indicators (see table 11.1) and second, to subject this data to further scrutiny using several statistical tests to

explore the utility of employee voice. A summary results are reported in what follows.

Using data gathered from employees, table 11.1 gives a mixed picture of non-union voice. For example, over 70% of the sample disagree that management communicate information often and half the respondents (50%) do not believe management involve them in decisions. Only a minority (23%) have the opportunity to speak to management about their wages or conditions. Thus while there are some far-reaching employee voice mechanisms, employees were not entirely enthusiastic.

Table 11.1: Indicators of Employee Voice Utility (%)

Question/Statement *	Agree	Not Sure	Disagree
<i>In your job do you often inform supervisors that you can do you job well (q40a) +</i>	43	20	37
<i>In your job do you often suggest to supervisors improvements in the way your job is done (q40c) +</i>	66	26	8
<i>I speak to management often about my wages and conditions (q41) +</i>	23	30	47
<i>Employees are very much involved with management in making decisions in this company (q34)</i>	33	17	50
<i>When decisions are taken which affect my pay or work, employee views are taken into account by management (q42)</i>	38	22	40
<i>Management communicate changes about work often (q46)</i>	20	9	71

* Some questions/statements are paraphrased for consistency with an agree-disagree continuum response. A seven point Likert-type scale was used and for simplicity responses are grouped under 'agree', 'not sure' and 'disagree'.

+ These items factored together to form factor 5 in appendix 3, labelled dialogue/communicating with management.

The second level of data analysis was the computation of several factor subscales followed by an exploration of various statistical tests for employee voice utility (see appendix D10.1a). On a combined scale of 0-36, Delivery Co. employees showed a positive perception of voice utility by + 1.0 point,

with some differences between each sub-scale. On the negative side, workers did not believe management took employee views into account, while positive views were expressed about the frequency of communications (see appendix D11.1.a). This may be a reflection of the combination of team briefings, day-to-day communication and use of e-mails reported earlier.

Of the independent variables used to explore for possible differences, there were no statistically significant results for overall voice utility. The one area of interest was whether management take cognisance of employee views, and those workers with some prior experience of unionisation were less supportive than those without such experiences. For example, of the employees (n=32) who had prior experience of a unionised environment, 5% said management do take account of employee views while 51% said they do not [6]. In contrast, the figures are 32 and 25% respectively for employees without union experience [7].

Of the four sub-scales used to compute voice utility, a correlation analysis suggests that sub-scales Voice2 (feelings of being involved with management) and Voice3 (management take cognisance of employee views) were strongly associated with overall utility. This suggests that while there were wide and even far-reaching voice methods (some of which employees support), it is the utility of 'participatory' initiatives that was questionable among workers.

CLIMATE

The importance of climate has been frequently stressed in earlier chapters and, as with previous case studies, data was collected in several ways and analysed

⁶ 44% of employees with a former unionised relationship were 'not sure'.

⁷ 43% of employees with no experience of unionisation were 'not sure'.

along two related dimensions. The first concerned ‘inter-personal climate’ as a source of friendly relations at workplace level and the second dealt with ‘issue-centred climate’, which reflects employee perceptions of how well management handled particular concerns.

ISSUE-CENTRED CLIMATE

As might be expected given the wide and sophisticated use of voice mechanisms, employees confirmed there was no problem in actually raising a concern with management, typically through their team leader or station manager. However, what did emerge was some concern about management’s willingness and ability to handle issues. While the specifics and issues varied across sites and occupations, the underlying similarity focused on issue-handling related to increasing workload and pressure. For example, in Leeds one part-time (woman) employee who sorted parcels explained that going on training courses [8] at the company’s head office in London was almost impossible as her husband worked full-time and there would no one to look after her children. Criticism of management handling was a perceived lack of understanding of the plight and particular issues associated with part-time working. The issue was resolved to some extent by close relations with co-workers, rather than a change in management’s approach:

“I haven’t gone yet and Angela [another employee] volunteered for my place cos she knows how difficult it’s going to be and how upset I’ve been over all this ... I just can’t seem to get it through to Allen”

Operations (Leeds Station)

⁸ The course was for shipping assignments and covered legal matters which needed to be stipulated on assignment notes where goods went outside of the United Kingdom.

In Liverpool the salience of one particular issue revealed a great deal about employee perceptions of management handling, which triggered important behavioural outcomes among employees. Briefly, couriers had raised a complaint that the uniform code did not include safety shoes for couriers, although it did for operational employees. The issue had been unresolved for some months and couriers eventually took their own form of resistance against management's failure to respond, by all refusing to drive fork-lift trucks while based at the station:

You're not supposed to wear training shoes; you have to wear the company issued ones ... safety shoes are now a big bone of contention. If you're picking up heavy parcels you should have them, all the people who drive the stacker truck or op's on the processing bench have them, so a lot of the couriers have decided we won't use the fork lift truck for that reason ... It's just like an agreement between the couriers ... We've asked for them and its always getting looked into. The thing is sometimes they can't and other times they just won't sort it. Any uniform that's purchased comes off the station budget so they try to keep the budget to a minimum ... if its always getting looked into it's never gonna come out of the budget, is it!"

Courier (Liverpool Station)

In addition to these qualitative explanations, data was collected from the employee survey. The results in table 11.2 show that a majority (47%) did not believe they would be labelled a trouble-maker by questioning management. However, 37% did and evidently this is how the operational employees at Leeds felt. Further, a clear majority (59%) believed that it does take a strong-minded individual to stand-up to management, and thus couriers at Liverpool arguably took collective action as the best option to articulate their concerns.

Table 11.2: Indicators of Issue-centred Climate (%)

Question/Statement *	Agree	Not Sure	Disagree
<i>I would be labelled a trouble-maker if I question management decisions (q28)</i>	37	16	47
<i>It does take a strong minded individual to stand-up to management (q37)</i>	59	12	29

* Some questions/statements are paraphrased for consistency with agree-disagree continuum responses. A seven point Likert-type scale was used and for simplicity responses are grouped under 'agree', 'not sure' and 'disagree'.

These statements were also used to compute factor variables for issue-centred climate and on a scale of 0-12 there was a small negative deviation of - 0.5 points (see appendix D11.2a). This was also found to be statistically significant ($p < 0.05$; appendix D11.2b) for the occupational groups 'couriers' and 'operations', who were more critical about management issue-handling than any other class of employee, as explained by the qualitative quotes above.

INTER-PERSONAL CLIMATE

Against these negative responses for issue-centred climate, inter-personal climate was examined in several ways: from interviews, questionnaires and observation data. Generally, employees were much more positive about the personal relations at workplace level, which can give another indication of the prevailing climate at Delivery Co. as source of influence in the relationship.

For example:

"I think it's all quite good here. I just compare everything to where I used to work and I think the communication is brilliant. Here, they send you e-mails and thanks for jobs well done and congratulate you for all working hard, or if we've had an enormous amount of telephone calls in the day, they will say, well done. You tend to get a better 'feel' around the place, and they are only little things I know, but I've never had anything like that before"

Call Centre Operator (East Midlands)

“[Delivery Co.] is not like RH Freight [previous employer]. You don’t hear of anyone getting told-off or that they are not playing by the rules”

Call Centre Employee (East Midlands)

“Allen [the station manager] really is sound ... he’s very approachable”

Clerical Employee (Liverpool Station)

Other data which tapped several indicators of inter-personal climate is summarised in table 11.3, and is largely consistent with other data collected and analysed. For example, a large number of respondents (89%) got-on well with their manager and a minority (36%) believed there is workplace tension.

Table 11.3: Indicators of Inter-personal Climate (%)

Question/Statement *	Agree	Not Sure	Disagree
<i>I get on-well with management (q32) §</i>	89	5	6
<i>I am willing to put in extra effort for company success (q33) §</i>	88	7	5
<i>There is a tension between employees and supervisors (q30)</i>	36	9	55
<i>I often mix and socialise with colleagues from work (q38)</i>	50	6	44

* Some questions/statements are paraphrased for consistency with agree-disagree continuum response. A seven point Likert-type scale was used and for simplicity responses are grouped under ‘agree’, ‘not sure’ and ‘disagree’.

§ These items factored together to form factor 7 in appendix three, labelled informal/social relations.

Interestingly, one indication of friendly relations is derived from the 50% who said they regularly mix and socialise with colleagues. This also emerged as an important theme for the Personnel Director, who frequently stressed the ‘fun-side’ to working at Delivery Co. Interviews and observation at the East Midlands call centre also confirmed this climate, in which employees would engage in fancy dress days for charity and organise social activities around team events. Of course, while these activities can also be a form of social control and act as a release-valve from the pressure and stress of call centre

work, they also helped generate a distinctive friendly atmosphere at the place of work.

Another level of analysis for inter-personal climate was the computation of three sub-scales. The results are given in appendix D11.2. Briefly, on a scale of 0-24, Delivery Co. employees reported a significant positive deviation of + 4.6 points, although there were no statistical measures of significance for the independent variables explored.

Finally, an overall climatic scale was then computed using the issue-centred and inter-personal sub-scales, which showed a positive climatic perception among employees (+ 4.0 points on a combined scale of 0-36). Occupational classification was statistically significant, with operations and couriers less supportive than other employees. There was no significant difference for either current or former union experience and a correlational analysis indicated that inter-personal relations appeared to be the more dominant element of climate (see appendix D11.2c). From these results, one implication is that the range of voice techniques, employee involvement schemes and promotion of 'fun-at-work' were important factors which shaped the climate at Delivery Co. It can also be suggested there was a concerted (even sophisticated) attempt at substituting triggers to unionisation, by devising this distinctive atmosphere which served to mask and intervene with other relationship tensions. It is thus not so much that climate itself was a significant influence, but that other factors magnified the prevailing climate.

ACTOR ATTITUDES

This final section builds on these general inferences and is concerned with actor attitudes as a guide to action and behaviour. Again, the analysis was carried out in relation to defined attitudinal objects, such as attitudes to management, trade unions, the company and work experiences. Exploratory data analysis was carried out and is explained in appendix W8.1, with the full results for Delivery Co. provided in appendices D11.3 to D11.6.

ATTITUDES TO MANAGEMENT

On the overall scale to measure attitudes to management, employees expressed a greater degree of positive support at Delivery Co. than those of any other case study (+ 5.8 points). The strongest element of this was found for the sub-scale 'institutional trust', although there was a small negative deviation for the sub-scale 'rule enforcement' (see appendix D11.3a).

There were some statistically significant differences between both the sub and overall-scales for attitudes to management. For the overall and the sub-scale 'perceptions of managerial control', the independent variable 'current union membership' was statistically significant ($p < 0.05$); and for the sub-scale 'managerial conflict', occupational classification was significant at the $p < 0.01$ level (appendix D11.3b).

Further analysis found that the occupational groups 'couriers' and 'operations' were less supportive of management, which is concomitant with qualitative data reported throughout. For example, 66% of couriers and 59% of operations staff expressed negative views about management, while a majority (i.e. $\leq 57\%$) in each of the other occupational groups were supportive of

management. For the sub-scale 'managerial control', all employees who were union members fell on the negative side of the scale, while over 90% of non-union members were positive about managerial control and trust. The same pattern was found for the overall 'attitudes to management' scale. In short, union members were significantly more critical of management than non-union members. A final point to note here is that while the attitudes of couriers and operations employees were negative, they were not union members (see appendix D11).

All three sub-scales used to compute attitudes to management were statistically significant from correlation analysis, with the factor variable 'perceptions of managerial control' showing the strongest association with overall attitudes to management (see appendix D11.3c).

GENERAL ATTITUDES TO TRADE UNIONS

As with previous case studies the two sub-scales explained in appendix three were used to compute and analyse differences in ideological and instrumental attitudes to trade unions. The mean scores and extent of positive/negative deviations are fully reported in appendix D11.4.

The data from Delivery Co. is similar to that for other organisations, with a similar 'pattern' between the ideological and instrumental sub-scales. That is as a whole, employees expressed general ideological values which were more positive than their instrumental views. Employees were supportive of unions by + 5.7 points on the combined scale 0-42 (see appendix D11.4a). However, in contrast to other case studies, employees at Delivery Co. were the least supportive of unions (ranked fourth). There was no independent variable

which was statistically significant; indeed, the few current union members (n=3; 2.8% of the sample) expressed similar views to employees without experience of unionisation. The areas of statistical significance were length of service for ideological values and education and occupation for instrumental attitudes (see appendix D11.4b).

Further exploration of these differences showed that all employees with 10 years or more service (100%; n=6), 90% of those with 8-10 or 1-3 years service and 80% of employees with less than one years service were ideologically supportive of unions. Professional and supervisory respondents were the only groups which were negatively disposed on the instrumental union scale (75% and 60% respectively disagreed), while all other occupational categories were marginally supportive of instrumental values. Regarding education, there was a distinctive pattern in that the higher the qualification, the less employees supported unions. For example, 60% of respondents with 'O' and 'A' Levels, and 71% of those without any formal educational qualification were generally more attached to unions than graduates (34%).

Finally, both sub-scales were strongly associated with overall attitudes to trade unions, with ideological perceptions slightly more significant (see appendix D11.4c).

Additional qualitative indicators of general union attitudes were obtained from interviews and in the main, these were consistent with quantitative indicators reported above. For example, the managerial perspective was carefully

explained (even guarded) that Delivery Co. is not to be seen an anti-union company. For example:

"I can see some advantage to having a union, I think it would force us to think it through more carefully. The disadvantage is we'd have to be more formal ... At the moment we couldn't see what a union could add. We've got extremely good employee relations ... I'd be surprised if there was a ground-swell of interest from staff from these new ideas [i.e. union recognition legislation] ... We're not too sure how to tackle them yet. We understand a bit more, we'd put some effort in to handle it our way because we think it's the right thing to do"

Personnel Director

The key issue is not whether Delivery Co. was anti-union or not, but that it consciously sought to 'remain' union-free and was prepared to put in the effort to secure this objective. Indeed, while it is possible that the company was anti-union, it was the approaches and tactics used to maintain a relationship free from collective mediation that differentiated it from other companies. Delivery Co. sought to socially engineer an ideologically-driven form of union substitution by providing better terms and conditions, a fun-side to work, a friendly climate and a range of more sophisticated voice channels than was found elsewhere. In this way, employee attitudes to unions were not in themselves a significant influence, but the perceived (real or otherwise) possibility of unionisation held by management shaped action and behaviour within the relationship. It is this that suggests Delivery Co. was considerably more sophisticated in its overall approach than other companies in the sample.

This managerial perspective was set against qualitative data provided by employees and the ideological-instrumental pattern reported above for quantitative data was supported. Of those employees interviewed, no

respondent was a current union member, but five had had experience of a unionised relationship from former employment [9]. From this, it was identified that several overarching themes appeared to influence employee attitudes to unions, such as perceptions about the product market, the company and management which often intertwined. For example:

“Basically, in the industry that we’re in, I don’t think we can afford to go into that sort of union thing. We have got to be flexible and flexible enough to suit our customers’ needs, and if we start getting into the unionisation of, certainly the couriers, or the op’s staff, we would not be able to be flexible and therefore we would lose a lot of business. That is what [Delivery Co.] and the management teams prides itself on, on being flexible to suit customer needs. And if it can’t be done due to union regulations then we would go backwards rather than forwards”

Operations Supervisor (Leeds Station)

“I don’t personally think a union could work in here. I don’t think [Delivery Co.] would allow it to happen. It’s all very much based on your performance. If one person’s really going out of their way to make a difference and the other one is basically coming and going, they have no incentive, they are not bothered whether you get new customers, or whether we deliver early or pick-up late which is what makes a difference to this company. Unions don’t think like that”

Clerical Employee (Liverpool Station)

“I think people can say and do what they want here without a union, people can put their suggestions forward and if somebody doesn’t like it at the end of the day then they say so. The fact is we are governed by our customers and we tend to recruit and do things on what the clients want. It’s not a bad working environment, it’s not like a factory where it’s dirty or filthy, we get free coffee, we have a laugh, there’s a good environment. If people have problems they say so, they can be re-trained if they need it. If we need help we can have help, so at the end

⁹ Of these, one was based in the Liverpool station; two were at Leeds and a further two based at the East Midlands site.

of the day I don't think unions are necessary or help with the client needs for the direction of our industry"

Call Centre - Lead Agent (East Midlands)

In addition to this product market flexibility about trade unions, other employee attitudes to unions were influenced by the voice channels as a substitute for unionisation. These feelings can be summed-up by the remarks of one call centre operative at the East Midlands site:

"I don't think we need a union, you can always go to somebody. If you are not happy with your manager's decision then you go to the big boss, and they don't mind you doing that"

However, to infer that employees did not perceive any role for unions whatsoever is to gloss over the dynamic and contradictory nature of employee relations. For example:

"I don't think they [the management] would be too happy with unions. Any qualms or anything they could just turn round and say to us, no it's like this. If a union is involved then they have obviously got to sit and listen to what they have to say don't they, which can make you feel a bit better knowing someone will do that for you"

Clerical Employee (Leeds Station)

"[Delivery Co.] don't believe in unions, they think they can handle their own employees. I think it would be a good thing personally because they are there to look after you and nobody else, where the [Delivery Co.] management basically want more packages being sent and more money making"

Operations Employee (Leeds Station)

"Some of them [couriers], the majority I'd say, would appreciate it. It would save them standing and arguing with supervisors over certain aspects, their routes and jobs and that"

Courier (Liverpool Station)

A final theme is perhaps more revealing, suggesting that Delivery Co. are indeed concerned about what influence a trade union could have on employee behaviour. This can also explain why, if necessary, it relies on sophisticated union avoidance to maintain the non-union status of the relationship. For example:

“There was a lady who worked here, she’s left now, who made sure every employee was treated fairly and if she thought there was a problem she would go straight to the manager and say it shouldn’t happen, and she would have been quite happy for a union to be here ... She left I think because of the atmosphere, she was too much that way and not enough the management way. She did leave on her own accord, but I think it was because she was made uncomfortable”

Call Centre Operative (East Midlands)

At my last place they had a union ... I mentioned it when I first came here and I said to someone, ‘have you got a union?’ And they said, ‘don’t mention unions here or you will be out on your ears’. So I’ve never brought it up again”

Call Centre Operative (East Midlands)

In summary, employee attitudes evidently had the potential to influence the nature of employment relations, with some experiences capturing certain exploitative facets even in this so-called sophisticated non-union situation. However, the precise direction of the influence depended more on other factors, such as managerial style, the intervening influence of climate, or perceptions of market pressure.

GENERAL WORK SATISFACTION AND EXPERIENCES

For general attitudes to work experience, the same four sub-scales used for other organisations were computed and the results are given in appendix D11.5. Data analysis was again conducted at two levels. For the first, each sub-scale was examined as a measure of the relativity of employee attitudes,

together with a combined overall scale. The second level of analysis was to explore for differences among various independent variables.

Regarding the general experiences and satisfaction derived from work itself, Delivery Co. employees were largely positive (by + 3.5 points on the combined scale 0-54). This positive reflection was evident on all four sub-scales, with perceptions of 'intrinsic work value' supported most strongly (see appendix D11.a). There were no statistically significant independent variables for the overall scale, although there were some differences along each sub-scale. For example occupation, union membership and education were statistically significant ($p < 0.03$, see appendix D11.5b). Briefly, couriers and operations employees were less attached to their work than were any other grade of employee, which can be explained by some social class and occupational identity. As already noted, many operations employees were part of a peripheral labour force, while couriers experienced some of the more degrading effects of employment at Delivery Co., such as responding to tight delivery deadlines coupled with technological surveillance while out-on-the-road. In contrast, while call centre employees faced similar stress and pressure, they appeared to be more satisfied than operations or couriers. One explanation can be the difference in climate with call centre workers experiencing the simultaneous existence of 'stress and intensification' with 'fun-at-work' as a release-valve, which was missing for the former occupational groups.

Those employees with higher educational qualifications (graduates and time-served apprentices) said they felt more satisfied in their job than did employees with other educational attainments. Interestingly, a small majority

of current union members were more satisfied with pay than were non-union members, even though biographic data suggested that pay levels did not differ between membership and non-membership. Perhaps this adds to the picture that Delivery Co. consciously paid above industry rates as part of a union substitution effect.

Of the four constituent elements of work attitudes, perceptions of 'intrinsic value' from work was correlated most strongly, closely followed by pay satisfaction. Perceptions of attachment to the job was negatively correlated (see appendix D11.5c). The intrinsic value of work is particularly important at Delivery Co. and can be seen in the context of a sophisticated human relations approach which meant that union avoidance was less harsh than that found at Water Co. for example.

GENERAL ATTITUDES TO THE COMPANY

The general positive attitudes of Delivery Co. employees was also reported for orientations to the company (by +2.6 points on the combined scale 0-30). Of the two sub-scales, however, there was a slight negative response for organisational commitment (see appendix D11.6a). There were no statistically significant variable differences between employees (see appendix D11.6b), and the correlation analysis suggests that perceptions of organisational commitment (or lack of commitment) was strongly associated with overall attitudes to the company (see appendix D11.6c).

Additional qualitative accounts were reported by most employees interviewed, from which the distinctive cultural flavour of the organisation was often portrayed in a favourable light. This involved the use of humour at the

workplace, which was both engineered and propagated by senior management. Examples already cited included fancy-dress days in the workplace and social activities at the company's expense, where the workforce of a station would be invited on trips to Alton Towers. However, predicting the nature and direction of these influences on attitudes to the company can be as much a reflection of climate as anything else. Overall, employee attitudes to the company appear to be positive, although the causal inferences remain problematic owing to other intervening factors such as climate, management style and employee involvement initiatives.

SUMMARY AND CONCLUSIONS

As with other case studies, the method of descriptive tabulation is used to manage the majority of data collected (Yin, 1993; Hartley, 1994), which is summarised in appendix D11.7. Delivery Co. was deemed suitable for this study because it provided data which met the selection criteria outlined in chapter four; in particular, that it resembled a so-called sophisticated non-union firm, was a large multi-national organisation and had the potential for foreign ownership to influence the relationship. From this, key dimensions of the relationship were explained in chapter seven. A range of possible influential factors were analysed in this chapter and some concluding comments made in what follows.

Problematically, all the factors and variables assessed for Delivery Co. indicated some degree of influence on the relationship. One implication is that while each separate factor is important, a key finding is that a combination (or bundle) of factors influence one another as well as certain dimensions of the relationship. In this sense an appreciation of the 'whole' rather than the

constituent 'parts' is more revealing in practice, to which three general conclusions can be drawn.

The first of these is that a 'bundle' of factors point to the idea that certain influences can be traced through the prevailing industrial relations climate. In particular the range of non-union voice mechanisms, the impact of product market influence on wider employee attitudes and the legitimisation of technological surveillance and control were buttressed to a large extent by perceptions of a friendly, inter-personal and cultured atmosphere. Significantly, these processes were often indirect and gave some explanation of the high strategic-orientation of the relationship, levels of trust and regulation reported in chapter seven. Thus while Delivery Co. was a highly formalised and a strictly regulated organisation, it also succeeded in portraying an undercurrent of informality through a socially constructed climate. For example, employees rationalised the absence of unionisation because of the competitive and customer quality initiatives deemed necessary in the product market. Similarly, the climate also helped legitimise managerial authority which counter-balanced perceptions of relative deprivation in a core-periphery internal labour market.

The second bundle of influences is derived from the contextual and discursive analysis on wider government policy on employment relations, which also intertwined with other internal factors. For instance at one level it appeared that Delivery Co. was 'above' partisan notions of anti-unionism, however at the level of meaning and subjective interpretation, this was more circumspect. Consequently, Delivery Co. probably was anti-union, but to leave it there is to miss the dynamic interdependence of relationship influences. Crucially, it was

not the prospect that a Labour Government might change public policy and legislation which was of ultimate significance. There was an equal concern on the part of management to re-evaluate behavioural outcomes in the light of this political probability, which had the potential to modify the relationship.

A third point arising from the notion of a 'bundle' of influences is the processes that spin-off from the impact of the product market both directly into the relationship and indirectly through climate. As with Chem Co., one key finding is not so much the ease of market entry for competitors, but rather the employee relations implications arising from management action in response to market pressure. At Delivery Co. one internal impact was the uses of technology which intensified effort, functional flexibility and high social control. The external influence of the market was also important, in that it meant technology gave an advantage over competitors and satisfied customer demand. In turn, this shaped attitudes which meant unions were perceived as less important instrumentally. While causal direction is extremely difficult to identify, for the relationship at Delivery Co. the market appeared to influence climate, which shaped managerial style and strategy, which affected attitude and behaviour to such an extent that there emerged an occupational sub-culture, especially between couriers and operations on the one hand and other employee groups on the other.

In conclusion, the data and analysis for Delivery Co. point to a much more complicated and sophisticated form of non-union relations than was found at other companies. Moreover, there is no single factor which stands out above all others as the most significant influence on the processes of modification. What can be said is that the relationship is influenced by a 'bundle' of external

factors and internal practices. For the former, the main factors include government policy and product market pressures. Size, ownership and nationality were less significant. For the internal practices the key influences included non-union voice mechanisms, management approach and the prevailing climate (culture).

Taken together these processes secured a mutuality of dependency relationships among employees, supervisors and managers which legitimised managerial control while simultaneously offering workers a perception of involvement (not participation), of creativity (not freedom), and fairness (not equity). Arguably, it is the '*combination*' and '*interdependence*' of these dynamic and contradictory social processes which is an important source of the sophistication of the relationship at Delivery Co.

CHAPTER TWELVE

INTEGRATION OF RESULTS

THE PROCESSES OF MODIFICATION COMPARED

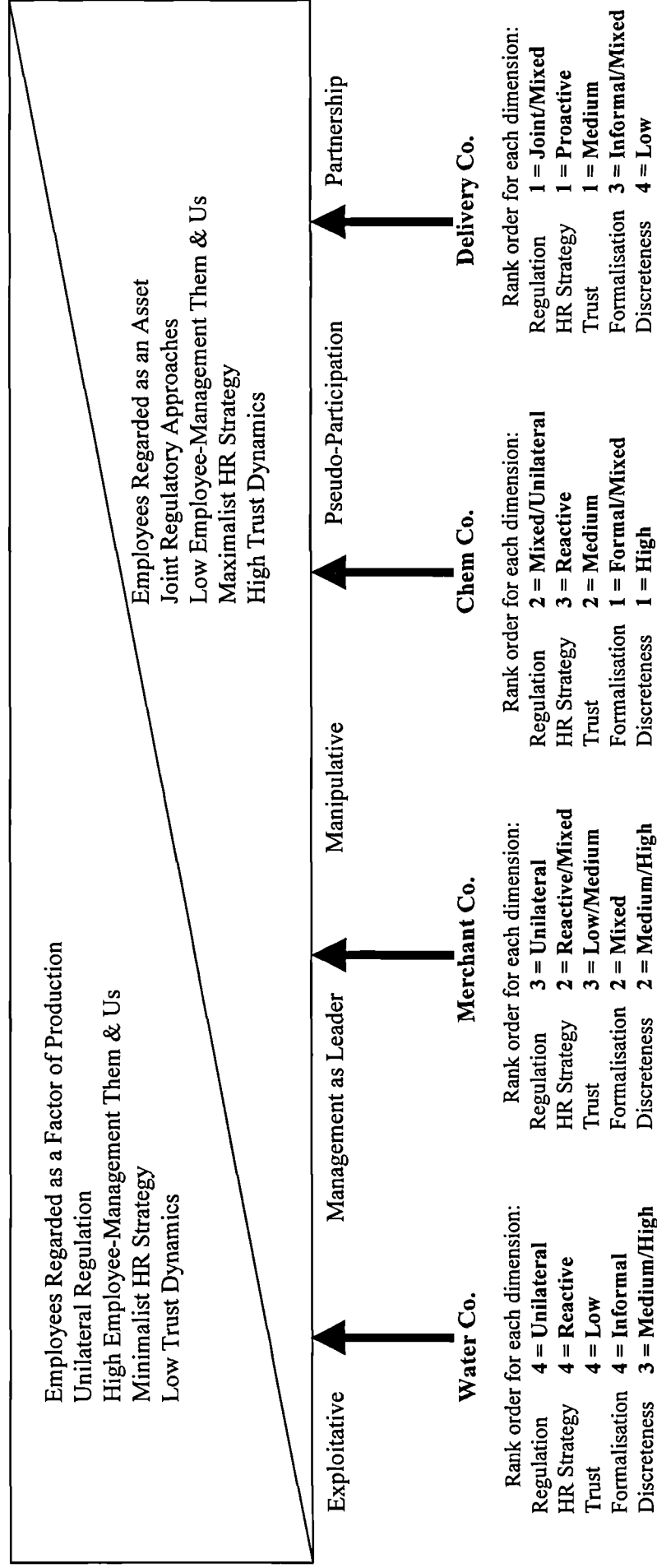
INTRODUCTION

This chapter brings together the results in chapters seven to eleven. As such it does not introduce new evidence on the processes used to make and modify the employment relationship but compares and contrasts different influences on each of the five relationship dimensions set out in chapter two. The chapter commences with a brief résumé of results from previous chapters to explain what the relationship *is* in each organisation. From this, results for each relationship dimension are integrated and examined against a combination (or network) of possible influences from all case studies. The pattern of factor influences are then compared and a simplified conceptual representation of different influences is presented.

DESCRIPTIVE TYPOLOGIES OF NON-UNION EMPLOYMENT RELATIONS

It was noted in chapter two that a conceptual typology of non-union employment relations could be posed for the purposes of empirical investigation. In essence, this meant freezing what are fundamentally dynamic and bipolar opposites. With this in mind figure 2.1 was devised from prior literature (chapter two), and a pilot investigation was used to tentatively explore these empirically (chapter five) before use in the main body of data collection. Figure 12.1 reproduces that conceptual typology and results from the case studies have been inserted to locate each organisation on the continuum. This portrays *what the relationship is* in each organisation. Consequently, it is possible to explain what influences and processes account for the way the relationship is made and modified. Overall, this presents an analytical framework from which general conclusions can then be made with respect to the focal research questions posed in chapter one.

Figure 12.1: Positioning of Case Studies along Different Types of Employment Relationship



Water Co. displayed the most 'exploitative' type of relationship. This was owing to a highly unilateral 'regulatory' approach by management and a reactive 'HR strategy' which viewed employees as little more than a disposable factor of production. Water Co. also displayed the least incidence of 'trust' and mixed 'them and us'.

In contrast Merchant Co. is more complicated. It displayed indications of being a 'management as leader' type, but also some 'manipulative' features were evident. This is because Merchant Co. discouraged unionisation by de-recognition at the point of acquisition. On balance there was a more unilateral than joint 'regulatory' approach, but the activities of the personnel function indicated that there were some important constraints on managerial action itself. In particular, it was difficult for personnel to modify the relationship against the fragmentation of line management action and its exclusion from boardroom decisions.

Chem Co. and Delivery Co. are positioned toward the opposite end of the relationship continuum and these two firms had some similarities and differences. Both companies displayed a mixture of joint and unilateral 'regulatory' approaches and explanations for this can be identified in two ways. The first is that management sought employee commitment and compliance through a relationship of meritocracy. However, albeit in different ways, employees were very much subordinate to the intellectual sophistication of managerial approaches.

Secondly, in both organisations while there existed a works council, this tended to be ineffective and was often circumvented by managerial action. At Chem Co. management expected employees to participate in the works committee

outside of company time - in effect, prescribing defined roles for employees. In contrast, at Delivery Co. the motivations for the employee council were derived from other parts of the organisation internationally and, moreover, its purpose was to present information to a small group of employees rather than mediate or modify the relationship.

Delivery Co. stands-out as an organisation that used a sophisticated human relations type of relationship. Nevertheless, unionisation was discouraged by seeking to win employees ‘hearts and minds’. It had a higher level of joint ‘regulation’, a considerably more proactive ‘HR strategy’ coupled with the lowest measure of ‘them and us attitudes’ than other firms. However, it also illustrated the difficulties and complexities of managing a non-union relationship through above average remuneration, extensive employee involvement techniques and the promotion of a strong cultural identity.

COMPARATIVE ANALYSIS OF THE PROCESSES OF RELATIONSHIP MODIFICATION

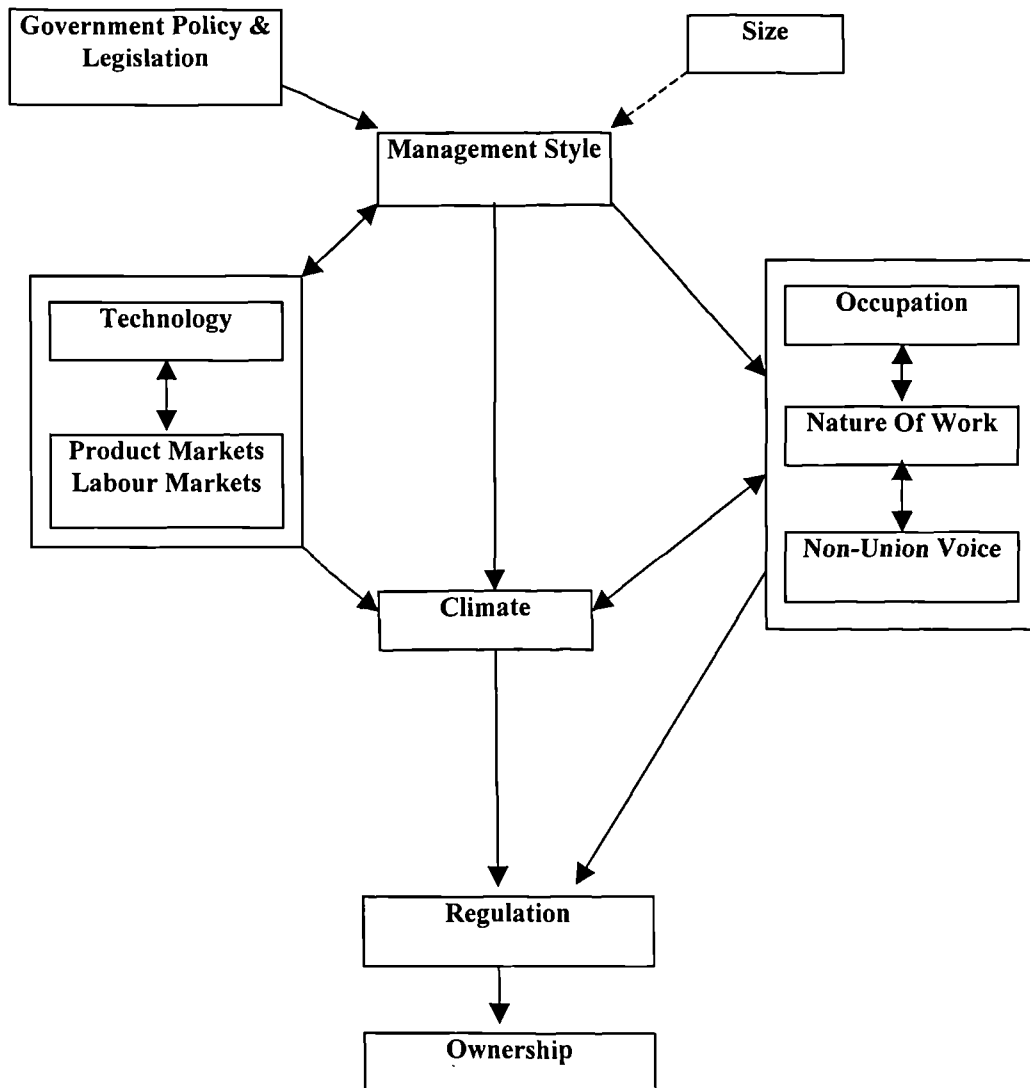
REGULATORY APPROACHES

This dimension was concerned with the extent to which the relationship was determined unilaterally by management (min score) or contained elements of a joint approach (max. score). The scale and subsequent rank order for each organisation were as follows, with Delivery Co. showing the greatest and Water Co. the least joint regulatory approaches.

Regulation				
Company	Water Co.	Chem Co.	Merchant Co.	Delivery Co.
Score (0-100)	24	48.6	33.4	55
Rank Order	4	2	3	1

The results from previous chapters were integrated and analysed in order to delineate general patterns of influence on regulation. Table 12A in appendix twelve provides a summary tabulation of independent influences on regulation for all organisations, and figure 12.2 (below) is a conceptual map to show the patterns of regulatory modification. From this, several general observations are discussed in what follows.

Figure 12.2: Conceptual Map of Influences on the Dimension Regulation



The first point to note is the importance of indirect sources of influence. Significantly, in all organisations climate, which influenced the way that relationships were regulated, was itself influenced by groups of other factors. For example, in all organisations management style played a central role in climate, but since its effect varied between firms, it is convenient to consider the companies in two groups. One group consisted of Water and Chem Co. together. Here, managerial philosophies were very much the prerogative of the values held by a dominant actor in each company, albeit in different ways. In contrast, at Merchant Co. and Delivery Co. there was a greater diffusion of management style, which translated into differing climatic layers as a source of regulation. At both Merchant and Delivery Co., regulation was often shaped by semi-independent station or branch managers at different geographical sites. In one respect, regulatory action was determined to a large extent by managerial philosophies, but in other respects it varied because of different workplace practices which influenced the nature of relations owing to size of work unit.

A second point is that the wider IR climate had an important influence on regulation. In particular, the influence of 18 years of anti-union policy and legislation filtered through other factors as a route to regulating employment. No organisation used these laws directly. However, the indirect influence was highly significant across all companies, albeit for different reasons.

Again, grouping organisations can help delineate these patterns of modification. At Water Co. and Merchant Co. there was a discernible mirror image between the external IR climate on management style and organisational climate. In short, both these organisations found anti-union laws and government policy a distinctive advantage to regulating relations. In contrast, at Chem Co. and

Delivery Co. there was far less support for public policy. Yet in other ways, the wider industrial relations climate shaped management behaviour, which in turn influenced the prevailing climate in these organisations. For Chem Co. and Delivery Co. the climatic impact was to regulate more by persuasion than imposition.

The third point is that there was a marginal, but nonetheless general impact on regulation emanating from size, ownership and non-union voice. Water and Chem Co. were SME-type organisations, while Merchant and Delivery Co. were larger organisations. In addition, Water and Delivery Co. were foreign-owned, while the remaining two companies were British-owned. Furthermore, some organisations used a greater spread of non-union voice mechanisms than others; Delivery Co. and Chem Co. had works councils, while Water Co. had few if any voice mechanisms. In short, these influences are relevant for some but not all organisations and so it is harder to predict a precise effect. Notwithstanding this, an important finding is that a source of influence was the size of 'work units' rather than the crude indicator of size of organisation. Where smaller groups existed this also gave distinct regulatory patterns and voice utility. At Water Co. delivery drivers reacted to the ban on using company vehicles through informal voice channels with supervisors. At Delivery Co. the cohesion among couriers at the Liverpool station led to sparks of resistance against managerial rules. In many ways the nature of work produced distinctive forms of group identity (type of occupation) which counteracted managerial unilateralism to some extent in these organisations.

Finally, but of perhaps more importance, is the summation of the constituent influences on the whole. Interrelationships between factors tended to have a cumulative impact on regulation. Thus while government policy and legislation

shaped management style, which reflected a particular climatic atmosphere as a regulatory tool, product markets and technology intersected with managerial action and behaviour, as noted in figure 12.2.

From the delineation of these influences, two general points can be made:

1. In the absence of a trade union, there remain other constraints on management's ability to regulate employment. Management style was important and ultimately this reflected more than a 'preference of how to do something'. Significantly, management style reflected other sources of influence, such as market competition, external government policy and occupational group identities among employees.

2. A corollary of this is that the behavioural actions of employees also shaped and influenced management's ability to regulate employment. Distinctive patterns of group identity, occupational cohesiveness and a questioning of managerial authority counterbalanced unilateral regulation between these organisations, despite the absence of a collective intermediary.

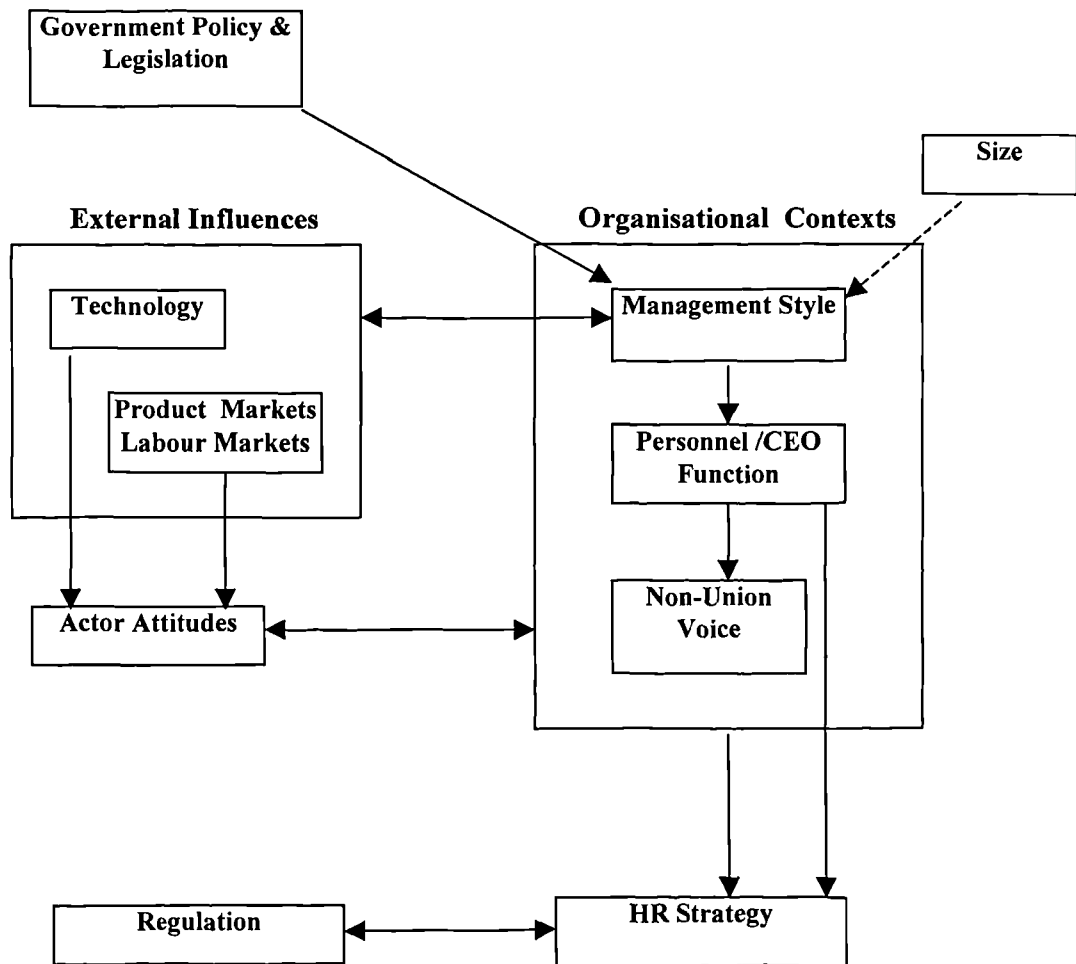
HR STRATEGY

HR strategy assessed the extent to which each relationship was either reactive (low score) or proactive (high score) in the management of labour and the scale and rank order for each organisation were as follows:

HR Strategy				
Company	Water Co.	Chem Co.	Merchant Co.	Delivery Co.
Score (0-100)	3	23	30	73
Rank Order	4	3	2	1

Again, the results from previous chapters were integrated to assess general patterns of influence on HR strategy, and a summary tabulation (table 12.B) is given in appendix twelve. Below, figure 12.3 represents a conceptual map of HR strategy influences, and in what follows several general observations are made.

Figure 12.3: Conceptual Map of Influences on the Dimension ‘HR Strategy’



The first is that HR strategy was found to be a 'second to third order' consideration, as suggested by other commentators (Wood & Kelly, 1987; Purcell & Sisson, 1983; Purcell & Ahlstrand, 1994). This is important as it then allows recognition of two particular (although uneven) sources of influence. The first consists of factors external to the organisation, such as product market influence, the technology employed and available supply of labour. The second source is derived from an appreciation of organisational-specific circumstances, such as the role of personnel and *locus* of decision-making processes inside each firm (see figure 12.3). What is uneven about these sources of influence, however, is that although organisations might have the desire to respond in clear strategic terms, it is sometimes questionable whether they have the ability to do so.

In most organisations HR strategy was often reactive. For Delivery Co. and Water Co. the speed of customer service was paramount. Customer satisfaction took on a different meaning for Chem Co. as many customers were also intermediary manufacturers themselves. Market contraction shaped the dynamics of what were termed 'light' and 'heavy' side products (and the labour employed) at Merchant Co. Thus it is important to appreciate the organisational-specific contexts against which decision-making took place.

A second point follows from this and evidence suggests that a network of factors which influenced HR strategy also intersected with regulation as a source of modification (see figure 12.3). In general terms these network influences generated compliance, albeit via differing strategic approaches. At Delivery Co. employees were viewed more as an organisational asset to achieve corporate objectives than at any other organisation studied. This implied that the way the relationship was regulated stemmed in part from a strategic view of the firm. Here the use of employee involvement initiatives, a friendly atmosphere

and team spirit secured compliance to managerial objectives which to a large degree simultaneously satisfied employee needs and wants.

In contrast, at Water Co. the generation of compliance may have been more brutal but nonetheless equally important in strategic terms. In particular, the decision to implement a reward system based on commission and bonus had a large impact on employee attitudes which overlapped with management style and non-union voice. Consequently, employees found inter-personal climate an important vehicle to satisfy their needs and wants against a more exploitative regime. At Chem Co. the use of recruitment through a network of friends and family may have been well-intended but even here it engendered an undercurrent of behavioural compliance based on peer group pressure, which served managerial aims.

A third point concerns organisational structure and it is convenient to split the cases between Water and Chem Co. on the one hand, and Delivery and Merchant Co. on the other. For the latter pair, there existed a well-defined personnel function in both organisations. However, one apparent barrier to linking the strategic orientation of the employment relationship with overall business goals was the absence of personnel at board level. Thus while the role and function of personnel differed between these two companies [1], the structure of overall company decision-making acted as a counterpoise to the role of personnel in shaping HR strategy.

A similar finding is evident at Chem Co. and Water Co., but again for different reasons. In both these organisations there was no personnel function and

¹ Merchant Co. was likened to the 'clerk of works' model and Delivery Co. to the 'architect' model of personnel management, which pointed to differing strategic orientations.

therefore no representation at board level. However, both senior actors (Chief Executive at Water Co. and the Operations Director at Chem Co.) were accountable to the board and on more than one occasion illustrated that by having 'their' ideas presented to board members they forced through an HR strategy which was often reactive.

In addition is the political processes of modification within the corridors of organisational decision-making. For example Merchant Co. had been pursuing a strategy of mergers and acquisition for some years. One impact of this was not only union de-recognition at several reported company take-overs but also the injection of different managerial systems as firms merged. Similarly, Delivery Co. had grown substantially over the last 5 years with the introduction of new and semi-independent work stations. As a result of this, management style took on different meanings for employees at the sites visited rather than a clearly articulated HR strategy. In contrast, Water Co. had grown quite rapidly after a turbulent period, although foreign owners intervened to some extent by limiting the role of the UK Chief Executive. One example was the reversal of recruitment strategies for managerial posts by offering attractive salary packages.

From these comparative patterns of influence, three general points can be noted:

1. A reactive approach (as at Water Co.) does not indicate an absence of HR strategy. Equally, a more proactive approach (as at Delivery Co.) is not necessarily indicative of an employee-centred strategy. The point is, notwithstanding key organisational differences, there existed important organisational-specific and external barriers which mediated the direction of HR strategy.

2. HR strategy and managerial style overlapped in many case studies. The evidence presented here would suggest that a full appreciation of the circumstances, organisational-specific contexts and micro issues are extremely important. Ultimately, what may appear a strategic orientation can be very different from what is implemented at workplace level. Consequently, HR strategy may be too grand a term as currently defined and management 'tactics' may be a more accurate reflection than the concept of strategy.

3. The network of processes are again extremely important explanations of the processes of modification. Taken together, these external and organisational-specific factors also generated behavioural patterns among employees which point to the maintenance of a union-free relationship. At Water Co. perceptions of managerial hostility to unions acted as a significant psychological barrier to unionisation. The same was found to a lesser extent at Merchant Co. In contrast, at Delivery Co. there was an equally important psychological barrier, but one engendered by a friendly inclusive culture rather than the hostility of employers. To a lesser extent this was also evident at Chem Co.

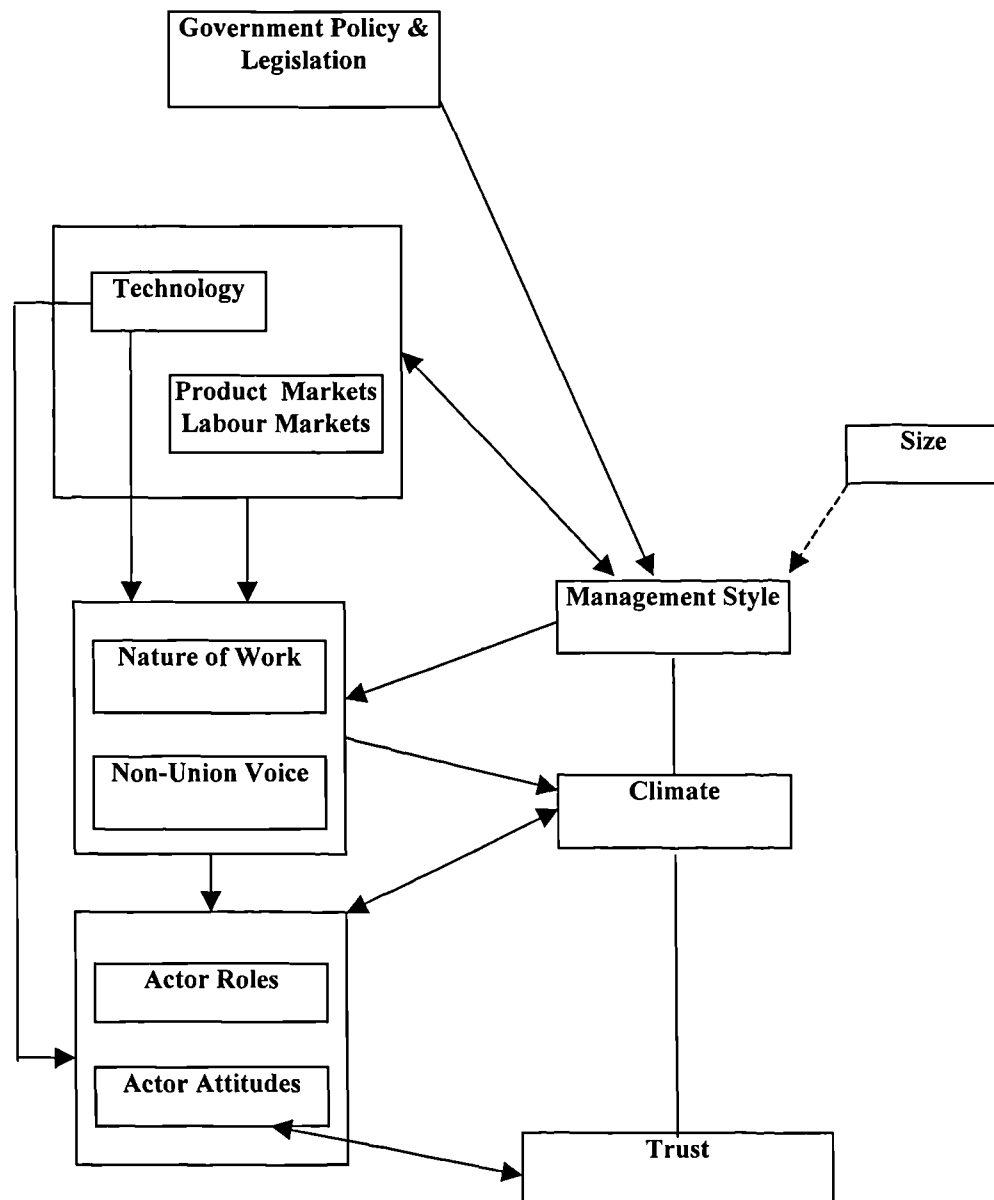
TRUST

This dimension assessed the extent to which the parties meet their cost-benefit obligations to the other. This was translated into relative indicators of whether low (minimum score) or high (maximum score) trust was a feature of each relationship. The respective scores and rank order for each company were as follows:

Trust				
Company	Water Co.	Chem Co.	Merchant Co.	Delivery Co.
Score (0-100)	37	67	43	68
Rank Order	4	2	3	1

As before, a summary tabulation is used to analyse the influences on trust (table 12.C in appendix twelve), and these are presented as a conceptual map (figure 12.4), from which several general observations are made in what follows.

Figure 12.4: Conceptual Map of Influences on the Dimension Trust



Two initial points are worth explaining at this stage. First, while it is probable that management style and wider government policy had some influence on employee perceptions of managerial trust, it is the ability to view different influences through the prism of the prevailing climate which helps understand more general patterns of modification. Second, there are likely to be important cumulative effects from several influencing factors. Indeed, it is this combination of simultaneous influences which give a cumulative effect that can be used to illuminate the processes that shape each party's expectation about the other's willingness to reciprocate (or not) in the cost-benefit exchange.

As figure 12.4 suggests, the pivotal link between possible independent factors and trust within the relationship is the prevailing climate. In different ways and with different outcomes, all organisations reflected a systematic top-down pattern of role generation identified through climate. Significantly, the combined network of influences offers some empirical support for the concept of institutionalised trust (Fox, 1974, 1985), which generated certain roles for actors in the employment relationship.

Through management style, pressures from the product market and the use of technology, the prevailing climate was characterised by several key indicators of trust. One was suspicion of management intent. What was originally thought of as an initial setback in conducting the research at Water Co. can be used as an example. Management did not want union-related questions in the employee survey 'in case it gave workers ideas' about unionisation. The evidence from management and employees strongly supported the existence of such suspicion by both parties. In contrast, at Chem Co. and Delivery Co. the nature of work for particular occupations was subject to a high degree of technological

surveillance. Here, the use of technology 'by management' was one way of controlling effort which indicated that workers were viewed as less trustworthy. In other words, employees were expected to reciprocate trust in what was essentially a low trust environment.

A second feature was gamesmanship - or implicit 'distributive bargaining' regardless of the trade union absence. To different degrees, but across all organisations, employees could easily raise a concern with management. However, in order for issues to be handled or adopted by management, a 'win-lose' bargaining situation evolved. Thus at Merchant Co. it was understood that manual employees were best 'left to carry out their jobs' with little day-to-day guidance by management. In contrast, at Water Co. and Delivery Co. workers were willing and able to circumvent managerial rules because of employee perceptions about management's lack of issue-handling. Indeed, at Water Co., supervisors at two sites (Warrington distribution centre and the bottling plant) acted as a buffer between senior management and workers as a mediator of trust relations.

A third influence on trust, and one which is evident only by an appreciation of the cumulative impact of several factors, is perceptions of fairness. At Delivery Co. there existed a high degree of employee involvement yet, paradoxically, there was also an absence of involvement in key areas such as individual objectives and target-setting. In differing degrees, the same feature was found at Water Co. and Merchant Co., where targets were devised unilaterally by management.

In addition to perceptual fairness, the related trust concept of a psychological contract (Rousseau, 1990; Guest et al, 1996) was also important. What is

significant in this investigation was that a perceived pattern of behaviour by the organisation was related to distinct patterns of action among employees which influence the dimension trust. At Water Co. unilateral changes to the wage payment system were met with resentment and antagonism. Employees dependent on a particular level of earnings were in part coerced to comply with managerial actions. In contrast, Delivery Co. projected a more friendly climate which shaped patterns of behaviour and action. Having 'fun at work' and being encouraged to do so by line managers was one way to ensure that targets were met. It also offered a more trusting environment than that of coercion.

One problem is that these are not single, linear causal explanations leading to a high or low trust relationship. In all organisations, employee expectations of managements lack of issue-handling influenced the prevailing climate. Consequently, on many occasions employees did not expect management to fulfil part of the cost-benefit exchange - either explicitly or in the context of a psychological contract.

From these comparative observations, three general points can be noted:

1. A network of external factors which affected management style, in turn shaped the prevailing climate as a way of modifying trust. Trust differed across all organisation yet the positioning of low or high trust environments can be traced to the prevailing climate in each organisation.
2. The roles which employees and managers occupied within the relationship also influenced trust. While these roles differed both within and between organisations (some positive and some negative), the generality is that role perceptions shaped patterns of action about whether one party was perceived

to meet its cost-benefit obligations. Moreover, evidence suggested that it is management which ultimately shaped employee perceptions of their respective roles.

3. A corollary of point 2 is that while trust is a highly perceptual dimension, it is one that can influence and be influenced by attitudes. The existence of non-union voice mechanisms was not matched by voice utility and this indicated that perceptions of low trust begets low trust. That is, employees have to perceive they have a voice channel, regardless of whether or not the voice mechanisms exist.

One final conclusion is that accounting for the processes which can modify trust can really only be understood within a social exchange perspective. This involves an appreciation of the dynamic, uneven and contradictory factors which shape employment relations. Above all, the absence of a trade union does not alleviate conflicting degrees of perceptual justice and fairness (cf. suspicion and gamesmanship) as a source of modification.

FORMALISATION

This dimension distinguished between informal (low score) and formal (high score) relations as the *main* way of modifying the relationship in the absence of a union. The scale and rank order for each organisation were as follows:

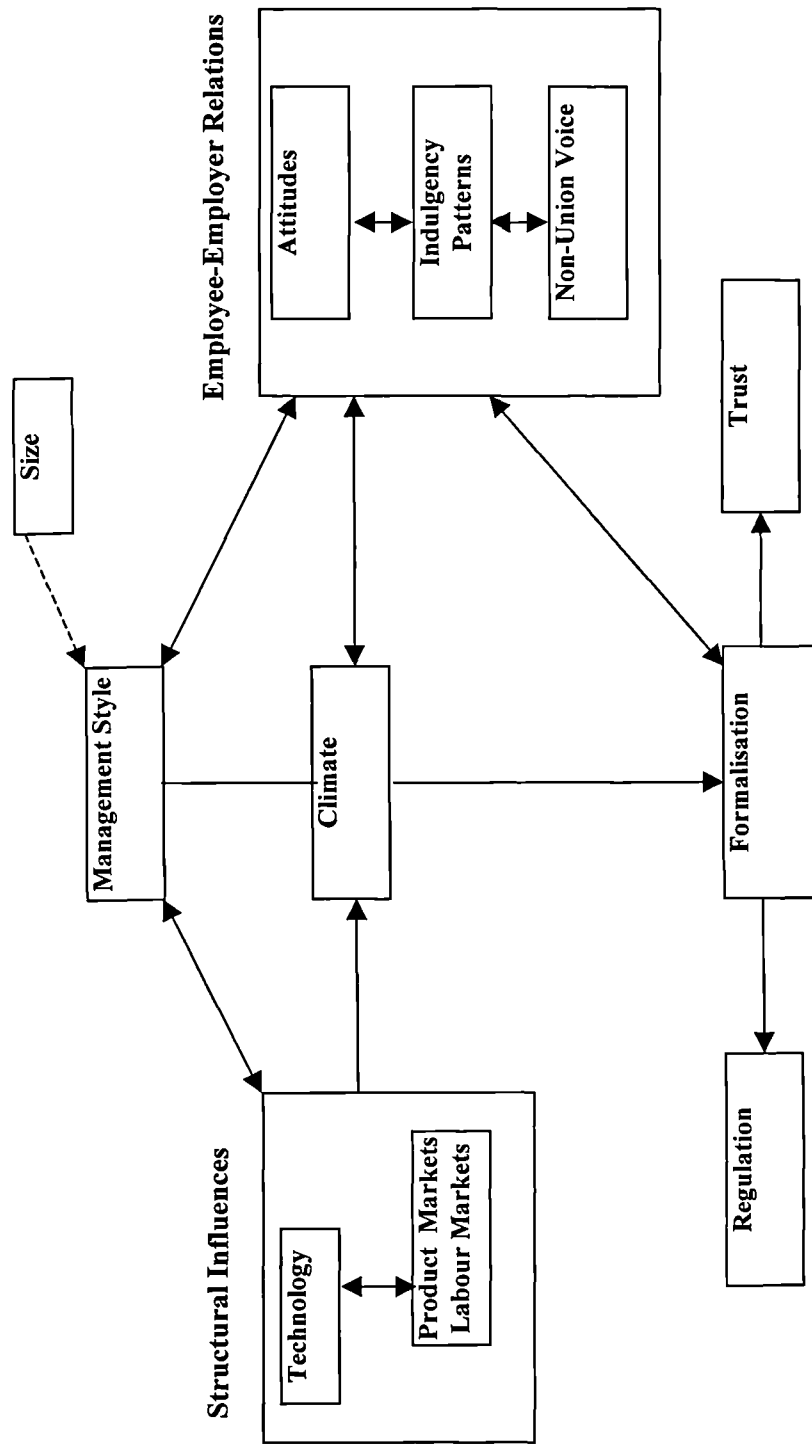
Formalisation				
Company	Water Co.	Chem Co.	Merchant Co.	Delivery Co.
Score (0-100)	30	51	50	46
Rank Order	4	1	2	3

As can be seen, Chem Co. had the highest degree of formalisation, Water Co. the least, Delivery Co's. score pointed towards informal, while Merchant Co. was mid-range, but also very close to Chem Co. While this gives the rank position for each organisation, these relationship dimensions are not evaluated on an interval scale. Thus a more accurate interpretation is that these organisations displayed varying degrees of informality rather than informal-formal opposites.

The results from previous chapters were integrated to assess general patterns of influence and a summary tabulation (table 12.D) is given in appendix twelve. The general patterns of influence are shown graphically in the conceptual map below (figure 12.5) and several observations discussed in what follows.

The first point is the issue of organisational size. It could be anticipated that smaller organisations would be dependent to a greater extent on informal processes than would larger organisations (Bolton, 1971; Roberts et al, 1992; Scase, 1995). The close proximity of owner-managers to employees could make communication flows easier given a more informal atmosphere. However, this is not a general finding supported by this investigation, although there is some association with size of work unit. Significantly, the two SME companies (Water and Chem Co.) were at opposite ends of the formalisation continuum. Further, the largest organisation, Delivery Co., was ranked mid-range with overlapping formal and informal practices. Thus it was necessary to assess the explanations beyond these structural indicators.

Figure 12.5: Conceptual Map of Influences on the Dimension 'Formalisation'



A second general observation concerned a dependency on informal custom and practice as a way of modifying the relationship. At Water Co. supervisors within the Warrington distribution centre were very much aware that senior management decisions to remove the perk of using company vehicles would change employee attitudes and action. Subsequently, supervisors implicitly supported the workers' action of later start times, partly owing to recognised difficulties with public transport, but also due to a desire to maintain relations and customer service. This informal dependency was also evident in other organisations. Even in the most formally structured relationship (Chem Co.) informal social relations evolved and these had some potential to modify relationship processes. On the issue of discipline it was shown that there was a tendency for management to by-pass formal procedures in both the early and final stages of discipline. While employees were not necessarily critical of this practice, it raised the issue of a potential lack of consistency, which could influence trust. Other research has shown that similar informal disciplinary processes rarely equate to the application of formal justice (Rollinson et al, 1997; Earnshaw et al, 1998).

In contrast, at Delivery Co. informal custom and practice was often mixed with a form of 'involvement bureaucracy', in which the processes of having 'fun-at-work' promoted an indulgency pattern between employees and line managers. Further, in semi-independent locations, the inter-personal climate of friendly relations secured employee effort in the face of rising customer pressures. Yet simultaneously, the perception among employees that Delivery Co. paid above average market rates, coupled with a wide range of non-pay benefits, pointed to formal processes which sit very much on top of an informal climate. This suggests that reliance on 'informal understandings' and 'managerial custom and

practice' generates distinct indulgency patterns between the parties as an important element of the modification process (Gouldner, 1955; Brown, 1972; Armstrong & Goodman, 1979).

The third generality extends to these employee-management relations and is concerned with the ability of workers, even in the absence of a trade union, to resist managerial authority. At Water Co. line managers in the bottling plant were central to the processes of social exchange. By engaging with employees in a distinctive company banter this lubricated production flows and avoided recourse to more formal disciplinary rules.

In contrast, at Chem Co. the procedures for taking holiday leave were shaped very much by the ability of certain workers to enforce their rights. It is significant that management did not question employees who took leave on their own initiative, although those who waited for a response from management were often left disadvantaged, thereby possibly shaping perceptions of trust. At Delivery Co. some workers found it necessary to pursue their own form of semi-collective resistance by refusing to drive fork-lift trucks because of management's lack of issue-handling. These variations of informal and formal exchange processes illustrate an inherent power inequality. In addition, they also explain that the agency of labour can be an important influence which modified the employment relationships across different organisations. Moreover, despite the absence of collective organisation there remained a vibrant 'frontier of control' between the parties (Goodrich, 1975).

A final general observation could be regarded as contradictory, and is related to external influences particular to each organisation. At Chem Co., given the very nature of chemical manufacturing, there were highly detailed procedures which

emphasised a formal and bureaucratic mode of regulation. In many ways these were externally driven because of legal regulations in the area of chemical safety. In contrast, at Merchant Co. market restructuring induced a rigid 'light-heavy' side distinction, which shaped relations in a wider context beyond the site surveyed. In particular, an internal-external labour market overarched formal and informal dimensions. For management this meant ensuring key organisational members (branch managers with local market knowledge) were retained within the company. In contrast, at Delivery Co. there was a very formalised company image which indicated some influence from foreign ownership. In particular, the commercial image of Delivery Co. was set by a world-wide headquarters, with UK operations having no scope to deviate. Consequently, the spontaneity of informality was confined to well-defined structural parameters in this organisation. Technology and market factors, as discussed in the next section, were often used to legitimise managerial action in modifying relations. Overall, each organisation was subject to different and unique external pressures which influenced formalisation.

From these observations, five general points can be noted:

1. On its own, size of organisation is not generally a good predictor of formalisation. Rather, internal and external organisational contexts provide a more accurate explanation of formal and informal processes.
2. The degree of formal and informal processes varied considerably within and between organisations. This variation is significant and can be explained in part by an indulgency pattern among workers and managers. On most occasions this form of 'managerial custom and practice' was motivated by the need to ensure production flows and customer service.

3. A corollary of 2 is that some workers had a capacity to question the boundaries of managerial authority, despite the absence of a union. In so doing, informal activity and pockets of resistance could influence regulatory processes as well as shape perceptions of trust.

4. Attitudes symbolised a two-way flow with formalisation, and negative attitudes towards management were associated with incidents of workplace dissent in shaping informal patterns of modification. In short, some aspects of the relationship produced feedback which influenced patterns of behaviour among employees.

5. There was also a strong influence from the prevailing climate. In particular, a greater dependency on inter-personal climate among employees corresponded to a greater reliance on informality between the parties. This became one possible route through which employees could satisfy their needs and wants.

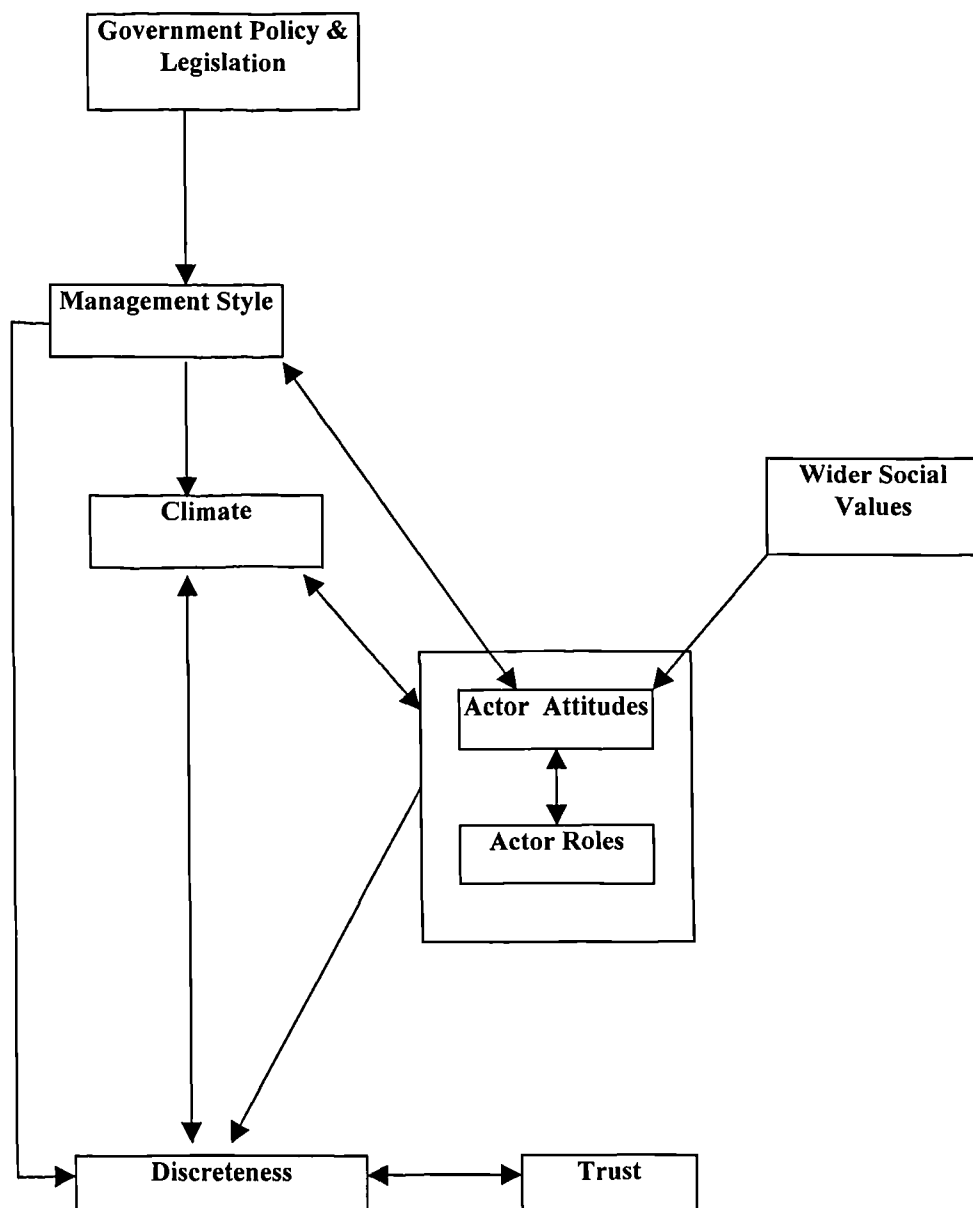
DISCRETENESS

Discreteness is the sum of attitudinal and behavioural them and us, defined and operationalised in chapter two in relation to in-group (employees/trade unions) and out-group (management) identification. The higher the score the greater the extent of ‘them and us’ between workers and management. For each organisation, the overall score and rank order for discreteness were as follows:

Discreteness				
(Behavioural and Attitudinal Them & Us)				
Company	Water Co.	Chem Co.	Merchant Co.	Delivery Co.
Score (0-100)	66	82	78	60
Rank Order	3	1	2	4

The relationship at Chem Co. was characterised by the greatest degree of ‘them and us’ between employees and management, and Delivery Co. the least. Again, a comparative analysis of results from previous chapters was used to assess general patterns of influence (table 12.E in appendix twelve), and a conceptual map of the main influences is shown graphically below (figure 12.6), from which several observations are discussed in what follows.

Figure 12.6: Conceptual Map of Influences on the Dimension Discreteness



First, while there were variations in the extent of discreteness, this was very much a perceptual phenomenon across all relationships. Above all, the evidence suggests that workers regarded management as a distinct and separate group to themselves. Equally important is that in delineating general patterns of influence, cognisance has to be taken of a set of factor clusters (see figure 12.5) in modifying 'them and us' within the employment relationship.

One general observation is that actor attitudes can shape prescribed roles which could reinforce discreteness. Overall, there is a strong inverse relationship in which positive ideological support for unions corresponds to negative attitudes about management. This pattern can be illustrated by comparing the two extreme organisations. For example, Chem Co. had the greatest extent of discreteness within its relationship and also reported the second (next to Water Co.) highest negative attitude to management. Workers at Chem Co. also displayed the strongest identity with trade unions in comparison to all organisations. In contrast, Delivery Co. had the least extent of discreteness and also the most positive attitudes to management. Workers here displayed the lowest identity to trade unions among all companies, which seems to indicate that the more employees internalise out-group values, the less it is likely that the relationship will be influenced by perceptions of 'them and us' between the parties.

A second general point, however, suggests that internalising out-group values is more complex. In particular, the findings indicated that wider social values rather than individual characteristics of employees could influence perceptions of discreteness. There was some evidence that workers in Chem Co. identified with unions because of socialisation and work history elsewhere. One

respondent reported that he remained a union member because of an affinity to his craft identity. Similarly, at Water Co. one supervisor remained a union member from a previous employer and this was owing to his former occupation as a joiner in which unionisation was expected. In addition, at Chem Co. there was also some evidence that older employees had a stronger inter-group identity, especially those over 40 years of age who were more ideologically supportive of unions. In contrast, at Delivery Co. manual groups (couriers and operations) were marginally more attached to unions than other employees, possibly indicating that manual groups have a distinct identity. Taken together, these would indicate that more fruitful explanations of discreteness can be found in wider social values, such as class identity and former experiences. There were no significant general patterns across the four case studies with regard to individual characteristics such as gender, skill, educational attainment or race.

A third general observation on discreteness (and attitudes) is best illuminated by the prevailing climate. It is important to note that there were networks of factors, such as management style and wider IR climate owing to managerial perceptions of government policy, which shaped climate. In all organisations, albeit to different degrees, there was some concern with issue-centred climate which pointed to clear role identities of the parties. At Water Co. both the Chief Executive and employees recognised that changes were part and parcel of management's prerogative, which shaped perceptions of a two sided relationship. For example at the Tewkesbury head office, the design of a new office layout clearly emphasised a subordinated role for employees in which management imposed change. In contrast, at Merchant Co. a high incidence of discipline, which differed vertically and horizontally across the organisation, suggested that the extent of discreteness varied by the roles ascribed to employees. In Chem Co. management used its role as the most powerful actor to

leave issues that were raised by workers unresolved. Because of these concerns, discreteness can also be seen to shape perceptions of trust.

Finally, but by no means insignificant, is the influence of management style. In all probability management influenced discreteness indirectly through climate. However, there is also some evidence that management action had a direct influence on discreteness and this can explain the respective relationship typologies to some extent.

Across all organisations management behaviour engendered clear inter-group patterns of identity among employees. However, the variations are also important. At Water Co. and Chem Co. the ideological preferences of one dominant actor may have been well-intentioned, but nonetheless highlighted numerous tensions between workers and management. For example, one employee in Water Co. actually joined a trade union because of the perceived need for protection against management behaviour. In contrast, at Merchant Co. the fragmentation of managerial approaches coupled with an uncoordinated personnel function meant that employee attitudes differed according to the nature of work and location in the organisation (i.e. branch, warehouse or clerical roles). One inference from these general observations is that while there were clear signs of a 'frontier of control', there was also evidence that employees pragmatically accommodated change in an environment of rising job insecurity and managerial self-confidence. In short, it is feasible that discreteness is a manifestation of roles in which employees had little alternative but to 'put-up and shut-up' in the absence of a union to voice their concerns.

In contrast the direct influence of management at Delivery Co. is more complex, and explanations can be found in different ways. One aspect was that some

employees realised that management occupied a much more powerful role and at times they found it necessary to react in a semi-collective fashion (e.g. couriers refusing to drive fork-lift trucks). In other ways, it can be noted that employees were more supportive of out-group goals because of a perceived 'relative advantage', rather than 'relative deprivation' (Runciman, 1966). For example, several employees stated that it was better to be managed by having 'fun-at-work' when contrasted with their experiences from a previous employment relationship (especially those at the East Midlands call centre). Thus being amenable to environmental characteristics is not evidence of an out-group identity but possibly a pragmatic accommodation of organisational contexts and roles ascribed to employees by management.

From these observations, four general points can be noted:

1. Management style, behaviour and action shape attitudes which reinforce them and us distinctions between the parties. This was both a direct and indirect (through climate) influence on discreteness.
2. The general nature of work environments meant that actors ascribed roles to themselves and others. These roles were influenced by power inequalities which reinforced 'them and us' perceptions.
3. Discreteness was also influenced to some extent by wider societal values and experiences which were brought into the relationship, although influence from former union experience was not widely found across relationships.

4. Discreteness is also likely to shape trust as another dimension of the employment relationship. Recognition that management occupies a superior role is another possible indicator about the perceived expectation that one party will (will not) reciprocate its cost-benefit exchange.

MULTI-DIMENSIONAL RELATIONSHIP

In chapter two it was suggested that the dimensions used to explain what the employment relationship *is* could be interconnected and the following presents evidence of this multi-dimensional association. First, HR strategy and regulation can be mutually dependent to some extent. For instance where the relationship was characterised by unilateral regulation, there was also evidence of a more reactive HR strategy and the two extreme cases illustrate this association. Water Co. displayed the most unilateral and most reactive HR strategy, while Delivery Co. had the highest elements of a joint regulatory approach and a more proactive strategic orientation. Thus HR strategy could influence subsequent regulatory processes.

A second multi-dimensional influence is the combined associations between trust, formalisation and discreteness. While these were somewhat uneven within and between organisations, general patterns of association can be shown across the case studies. For instance at Water Co., the lower measure of trust corresponded to a greater reliance on informal relations at workplace level, coupled with a significant measure of inter-group identity. In contrast, at Delivery Co. a higher level of trust is matched by lower 'them and us', and what has been termed here 'involvement bureaucracy' as a formalised characteristic. For Chem Co. and Merchant Co. the general patterns of association are more complicated and uneven. Chem Co. was the most formal and displayed the highest incidence of 'them and us', but had a medium trust environment. At

Merchant Co. there was a lower trust regime, a moderate mixture of formal and informal relations and a relatively medium degree of 'them and us'.

Overall, while the patterns of association between dimensions of the relationship vary and at times are uneven, there is evidence to suggest that some of these dimensions influence one another. It is also apparent that some independent factors influenced more than one dimension of the relationship and a general explanation of the processes of relationship modification is given next.

ACCOUNTING FOR PATTERNS OF RELATIONSHIP MODIFICATION

The underlying perspective of this investigation has been that of social exchange; that is, employee relations consists of an exchange relationship that is fraught with contradictions, tensions and bipolar opposites which cannot be fully explained by the contract of employment. In short, the relationship *is* a dynamic coexistence of both co-operation and conflict, and some of the main sources of influence are compared in what follows.

GOVERNMENT POLICY & LEGISLATION

It has been well-documented from other studies that the role of the state is an important source of influence on employment relations (Donovan, 1968; Clegg, 1979; Wedderburn, 1986; Pendleton & Winterton, 1993; Edwards, 1995). However, there has been little research which has asked how anti-union policy and legislation could shape or maintain non-union relations. What research is available tends to ask about the affects of law and public policy on the principal actors (Evans, 1987; Dunn & Metcalf, 1996).

This investigation sought to explore wider government influence in more specific contexts, in particular, how these shape the approaches to modifying the employment relationship. In the organisations investigated, three general features emerged.

First, none of these firms made specific use of available anti-union laws. However, employment policy had a buttressing effect on the non-union status of some relationships. At Water Co. the Chief Executive actively modified employment to limit any legal rights afforded to workers under statutory legislation. Thus many employees were dismissed before reaching two years continuous service. This avoided claims for unfair dismissal, even though the same person was re-employed shortly afterwards. At Merchant Co. there was some union de-recognition during company take-overs, which was supportive of previous government policy in the area, although the actual bargaining position of workers in these newly acquired companies could be an important determinant, which could not be assessed.

Second, the precise direction of any wider influence could be mediated by management, especially where there existed a strong value judgement that government policy was too aggressive. At Delivery Co. and Chem Co. there was some indication that management were less than sympathetic to overt anti-union policies. In Chem Co. management style was probably unusual because of the political perspectives articulated by the Operations Director, while Delivery Co. regarded its own approach as superior to a more assertive anti-union style. In other words, there is some evidence of pragmatic responses, which sought to distance management from the prevailing ideological values of government policy.

Third, and notwithstanding that stated immediately above, in all organisations it was found that the influence of government policy could be mirrored in indirect ways, such as management style, the prevailing climate and employee expectations. At Water Co. and, to a lesser extent, Merchant Co., managerial approaches actively mirrored government policy. For example, employees recognised that any attempt at unionisation would be curtailed because there was no way to enforce unionism on management. Conversely, at Delivery Co. management actively assessed their own procedures and processes in the light of possible union recognition legislation. Thus potential changes to government policy prompted some action and behaviour on the part of management in deciding how to maintain a union-free relationship.

THE INFLUENCE OF MANAGEMENT STYLE

Style and strategy was reviewed in chapter three. It was noted that much of the literature on management style originates from Fox's (1966, 1974) 'unitarism-pluralist' styles, or Purcell's (1987) 'individual-collectivist' dimensions. However, other authors, such as Marchington & Parker (1990) and McLoughlin & Gourlay (1994) argue that wide variations in either unitarist/individualism or pluralism/collectivist styles could exist. To this end McLoughlin & Gourlay (1994) added 'strategic integration' for non-union firms, as explained in chapters three and five.

In this investigation management style was found to be a central influence on the processes that make, amplify and modify the employment relationship. However, while different categorisation schemes can be useful, they also tend to obscure the dynamic processes within these relationships. This is for several reasons. First, these categorisation schemes are often derived solely from managerial respondents, who complete a tick box questionnaire and it is never

explained whether these respondents really know why, or to what extent, their personnel policies are strategically integrated. Second, these schematic frameworks rarely take account of the meanings and interpretations of management style by employees. Finally, collectivism and individualism are not always exclusive dimensions. They can coexist simultaneously within an organisation (Bacon & Storey, 1993). Thus while style categories are useful, it should be noted that they can also obscure some of the deeper influences and meanings of management style. Blyton & Turnbull (1994) note that accounting for management style against a dichotomy of union 'suppression or substitution' can be self-defeating, as there are many other permutations that can be used to assess managerial 'intent'.

The evidence in this investigation concurs with that observation. From this it is suggested that management style is really a taxonomy of power, against which the asymmetry of coercion, consent and compliance can be understood. It is doubtful whether the deeper meanings and interpretations of management style in these non-union firms could have been fully evaluated by reliance on the scope of strategic integration or individual-collective orientated policies alone. Thus the idea that style is more than a dichotomy of substitution or suppression, is explained by integrating and comparing the results from the four cases.

Given the exploitative practices shown towards employees at Water Co., the evidence would suggest there is a need to take Goss' (1991) category of 'Sweating' more seriously (cf. Scase, 1995). Indeed, the range of indicators that suggested management behaviour at Water Co. was *ad hoc* can be misleading. That is, while there was certainly evidence that management style was opportunistic and even traditionalist, the dominant role of the Chief Executive was nonetheless calculated and pre-determined. The most significant issue here

was the 'intent' to view labour as a disposable factor of production. This was coupled with the strong ideological sentiments by the Chief Executive, whose style of managing employees showed a very strong propensity to suppress unionisation through unilateral imposition. In this case, employee perceptions of management style acted as a psychological barrier which counterbalanced any possible triggers to unionisation. However, it was evident that Water Co. simply could not afford the required sophisticated techniques to substitute unions as found at Delivery Co. Thus stressing union suppression because of low strategic integration, would have masked some of these deeper intentions of managerial action.

What was also important was that both Water Co. and Chem Co. were SMEs, and this may have some bearing on management style in these organisations. At Chem Co. the boundaries between 'Benevolent Autocracy' and 'Paternalism' were crucial in maintaining workplace discipline and order. Here, the charismatic figure of the Operations Director engendered clearly defined superior-subordinate roles which could modify the relationship. Significantly, this system of managing took on the features of what others have described in the employment sphere as 'father-like' roles for management, which placed employees in subordinated 'child-like' roles (Newbry, 1975; Wray, 1996). Such a managerial style means that employees are dependent on the employer for more than wages; workers are part and parcel of deeper social exchange processes which helped maintain the existence of a relationship, even against exploitative conditions.

Therefore, while Chem Co. sought to substitute for unions with a works council (even though its role had diminished), there was evidence that the managerial philosophies articulated by one dominant actor sought to guard the managerial

prerogative from outside influence. One outcome was the use of peer group pressure as a preferred way of managing change and employee relations matters. Above all, it is doubtful that these findings would have emerged had the data collection instruments relied solely on the scope of management style. Instead, the deeper explorations of managerial *intent* and especially the interpretations and accounts by employees captured managerial styles to a greater extent.

At Merchant Co. a case can be made that Fox's (1974) Standard Modern category has deeper unitarist overtones and is relevant in non-union firms, despite union absence. In particular, a weak personnel function coupled with informal practices suggested that management style was subject to other pressures, such as line managers and board level decisions. There was a greater propensity to use government policy to de-recognise unions during company take-overs, and this pointed to union suppression. In addition, the influence from a reliance on managerial custom and practice facilitated a manipulative form of union avoidance. This style of management may well have suppressed unionism with a low degree of strategic integration and some collectivist indicators. However, this framework would not have identified the importance of managerial custom practice as a source of influence at workplace level.

In contrast, management style was very different at Delivery Co., and often resembled a more strategic approach. There was some influence from a world-wide head office and the generation of an international commercial image. In this organisation management style fits more closely the Marchington & Parker (1990) distinction of an 'investment-orientation' toward employees. However, despite this 'labour-investment' approach, employees recognised they were a cost to be controlled by management which could not have been explored by recording a high level of strategic integration alone.

In addition, while management style at Delivery Co. could be classified as high union substitution, there was also the existence of suppression. It will be recalled that substitution was influenced by a culture of bureaucratic involvement, having fun-at-work coupled with above average pay and benefits. In short, this resembled a sophisticated union avoidance style of managing employees. However, suppression of unionisation was also expressed by several employees at different sites in Delivery Co. For example, one employee in the East Midlands call centre innocently asked about unionisation because of her previous employment experiences, to which her peers commented that such matters 'should not be raised'. Other examples were given that employees who displayed a union-type orientation, simply 'no longer worked' for Delivery Co. In short, beneath the sophistication of union substitution, the coexistence of other managerial practices were found, which would not have been identified by measuring a range of 'individual-collective' or 'strategic integration' proxies.

These explanations show that there are complex patterns of different styles of management, both between and within the organisations studied. What is required is an explanation of why they differed and two particular influences are considered next: product and labour markets together with the effects of technology.

THE INFLUENCE OF PRODUCT MARKETS

The nature of product market influence on each employment relationship differed quite substantially between the case studies. After Marchington & Parker (1990), market influence was operationalised as the 'ease or difficulty' of market entry for competitors. Chem Co. and Delivery Co. both faced market competition, but this was less pronounced than that for either Water Co. or

Merchant Co. In particular, the capital investment required to compete with Chem Co. in setting up a chemical plant, even on a smaller scale, would be extremely substantial. In addition, it was explained that production runs were often for a long duration which gave an added degree of market stability. Consequently, management (and in particular the Operations Director) were afforded a legitimate authority in the absence of an alternative voice. To this end management style was very personalised and ideologically-driven. Indeed, any suggestion of unionisation would be viewed as a serious critique of management itself and thereby its prerogative was carefully guarded.

At Delivery Co. there would also be high set-up costs to compete on the same global scale given the required investment in transportation. Delivery Co. was already a 'market leader' and sought to maintain that lead by stressing the quality of customer service. In these circumstances, management had more room to shape their approaches to employee relations, such that a culture of 'involvement and fun' meant management could afford to substitute any possible triggers to unionisation while maintaining a competitive advantage.

In contrast, at Water Co. and Merchant Co. there was more intensive competition which can be related to styles of union avoidance. Following a turbulent period Water Co. experienced impressive growth, but it can also be recalled that there was an increase in competitors, many of whom supplied mineral water as almost 'virtual organisations'. It was also explained that management were under pressure to try to establish Water Co. as a 'market leader' against rising competition. Thus, at least for the management at Water Co., there were more immediate market pressures. Consequently, approaches to modify the relationship and secure employee compliance were imposed unilaterally.

At Merchant Co. there was a different set of market pressures. Merchant Co. was the only case study to have experienced a serious decline in market share resulting in a large number of redundancies. In part this was explained by knock-on effects in other markets on which Merchant Co. was dependent. Merchant Co. was also one of the market leaders (ranked 4th nationally) following a strategy of company acquisitions, to which the non-union status of the company was proudly announced in a share offer document. One significant effect from market pressure was that the management of labour was shaped very much by branch and departmental managers against key market indicators. This was explained as a 'light-heavy' side market distinction. At Merchant Co., key managerial decision-making processes were undertaken at board level in response to market pressures, which pulled the management approach toward union suppression, although in all probability the personnel function pushed a union substitution style to some extent.

From the accounts in these case study organisations, additional complexities were discovered which could also influence management style in some measure. One consideration is not so much the ease or difficulty of market entry, but the nature of customers. At Chem Co. many customers, such as ICI, were themselves chemical manufacturers and they tended to have an important effect on management. Conversely, at Delivery Co. the importance of customer quality was drilled-home to employees at every level and so market competition had a more direct effect on employee attitudes. For example, it will be recalled that in chapter eleven some employee respondents commented that a union could damage customer relations because of the perceived need for market flexibility. Another consideration was the exogenous factors which shaped the market and, in turn, influenced the managerial approaches. At Water Co.

seasonal fluctuations in weather affected the demand for water and, at Merchant Co., changes to mortgage rates affected building materials and house buying. One implication is that management had to 'react' to market pressures to a greater extent than was the case in other organisations.

A final comment is that there existed no alternative source of information for employees about the state of the market other than management itself, a point predicted for non-union firms but not examined by Marchington & Parker (1990:251), to which evidence from this investigation can contribute. At Water Co. management decided to open the Warrington distribution centre based on regional customer networks, although drivers had to deliver as far afield as Cumbria and possibly Edinburgh. At Chem Co. the decision was taken to close a site in Widnes and rationalise operations across the Leeds and Knowsley plants, which meant moving employees around the country. In contrast, the 'light-heavy' side market distinction was adopted by management at Merchant Co., to which employee relations problems arose after the event, for instance labour mobility and claims for unfair redundancy selection and dismissal. Thus market pressures and the motive of rationalisation, about which employees had no alternative source of information, were used to legitimise managerial approaches. Equally important is that while the market may shape management style, this evidence also supports a two-way process: management can implement their own 'choices' which are not always determined by market pressure (Purcell, 1981; Kochan et al, 1986).

THE INFLUENCE OF LABOUR MARKETS

After McLoughlin & Gourlay (1994), this was examined in relation to the 'ease or difficulty' of recruiting and retaining employees. While this was found to be an important source of influence on management and employee attitudes in

other studies (McLoughlin & Gourlay, 1994; Gunnigle, 1995), based on the evidence from these four cases, the relative impact was probably less significant. There are two principle reasons for this.

First, at Chem Co. and at Delivery Co. there existed a form of informal network recruitment processes. This allowed some degree of pressure to be exerted among employees by management. It will be recalled that the Operations Director at Chem Co. decided that problems with a young modern apprentice were to be resolved by his father. Similarly, against sophisticated recruitment and selection methods at Delivery Co., there also existed an informal system of recommending family and friends which could engender a more compliant workforce, by recruiting like by like. It is significant that these were based on managerial preferences rather than evident pressures in the labour market to recruit or retain suitable employees.

Second, important issues suggested that the labour market was not the key source of influence but rather the nature of labour-management relations. At Water Co., despite the relative ease of dismissing and of re-hiring employees, there remained deeper tensions between workers and management. Similarly, at Delivery Co. employees were able to influence management action to some extent without exiting the relationship - as was the case for couriers at the Liverpool station. Conversely, at Merchant Co. management found informal relations necessary to maintain customer service, especially in the warehouse/distribution side. These factors are crucial since none of the four cases experienced any serious difficulties in recruiting employees.

Overall, while the labour market can influence the relationship and management style, from the case study evidence, it is difficult to determine any clear causal

patterns on the processes of modification. It is certainly evident that management decided their own respective approaches, which were rarely shaped by labour market pressures. Further, to some extent the management of these organisations were willing to accommodate employee concerns instead of seeking replacements. Since employees were also prepared to resist management without quitting, this suggests that labour market influences were less significant than those of either the product market or management.

THE INFLUENCE OF TECHNOLOGY

Using the work of several authors who found that social control through technology can be an important influence (for example, Blauner, 1964; Child, 1972; Thompson, 1983; Fox, 1985; McLoughlin & Clark, 1994), it was noted in chapter three that technology can have a large impact on the nature of work relations. However, in this investigation it is difficult to identify clear patterns of influence from technology. Since the major sources of influence can be traced to management action as much as to the technology, it remains debatable whether the key influence is technology or how management used technology for the purposes of social control.

From the four case studies, Delivery Co. and Chem Co. both used a high level of technology and the rationale of cost-efficiency and market pressures were used to justify managements uses of technology. At Chem Co. the nature of capital-intensive chemical processing legitimised the use of technology to a large degree; although even here, it was evident that management determined the flow of production runs and often cited a cost-based view of efficiency to legitimise their actions. At Delivery Co. highly detailed technological surveillance of employee performance was based on a market rationale for customer quality to maintain market leadership. Yet it was also clear that

management maximised the benefits of technology to control and monitor employee effort in a highly detailed way.

In contrast, technology was least evident at Merchant Co. and Water Co., although in relative terms the overlap between market legitimacy and management action was noticeable. At Merchant Co. the JIT system brought perceived benefits to clerical employees but concerns from warehouse staff. At Water Co. technology probably controlled employee effort at the bottling plant, but this was less dramatic than at the new call centre in the Tewkesbury head office where the level of supervisory monitoring was intensive.

Notwithstanding the importance of technology itself, one general implication from these findings is that the uses to which technology is put can be a more important source of influence. Evidently, management have a choice in the way it uses technology to achieve social control and this can explain trust and possibly 'them and us' attitudes within the relationship. A second implication is the variation between organisations. It can be noted that in companies where employees were in direct contact with customers, there was a corresponding use of functional flexibility through technology. This was evident in the way management adopted technology to control workloads, intensify effort, enlarge job responsibilities and to re-assert social control. Moreover, those occupations that experienced higher social control and technological surveillance were also more likely to develop negative attitudes to management.

THE INFLUENCE OF CLIMATE

A final area which had a discernible influence on the relationship was climate. It was found that climate can shape employee behaviour and action, but it was also an intervening factor which was subject to overlapping influences from

management, the effects of technology and probably wider government policy. From this, three general observations are given in what follows.

First, climate shaped group identity and the roles performed by employees across all organisations. This suggests that, to some extent, the relationship itself can feedback and influence the processes of modification when viewed through the prism of climate. Albeit to a different extent, reactions to issue-centred climate strengthened inter-group identity among workers across all organisations. At Water Co. employees obtained some psychological satisfaction from group membership against managerial threats at the Warrington distribution centre. At Delivery Co. the willingness of employees to challenge management's lack of issue-handling served as a cement which bonded certain occupational groups together - as in the case of the couriers at the Liverpool station. In contrast, at Chem Co. management attempted to institutionalise commitment to the company by exerting what it (management) thought would satisfy employee needs and wants. Consequently, employees perceived this climate more as enforced compliance, which may explain the high inter-group identity.

A second general observation is the existence of sub-climates within each relationship, which can also alter the processes that modify the relationship. Above all, this illustrates patterns of inter-personal climate across companies, and there is some association with size of work unit. For instance at Water Co. the use of a distinctive banter, language of innuendoes and informal practices shaped management action to some extent in smaller divisions of the company. At Merchant Co. similar small groups of employees (in the warehouse and offices) ascribed certain roles to themselves and applied to others. For example, the actions of workers in the warehouse meant it was easier for management to

allow these employees to determine their own work routines rather than enforce company rules. In contrast, at Delivery Co. inter-personal climate was much more visible through the friendly, culturally-engineered climate of having 'fun-at-work'. At one level this required managerial support, but at another level, especially over time, this could well coalesce into an inter-personal climate which served to protect group members against management (and possibly union) interference.

A third general observation, however, is that because climate is an intervening variable it could also be shaped by other external influences. One is the influence of government policy reported above. At Chem Co. employees believed that management could simply by-pass workers' expressed concerns (issue-centred) because of their perceptions of the wider IR climate. In contrast, at both Water Co. and Merchant Co. the salience of issues reflected employee perceptions of managerial power which was modelled to some extent on public policy towards unions. In short, management action and wider government policy could influence the prevailing climate.

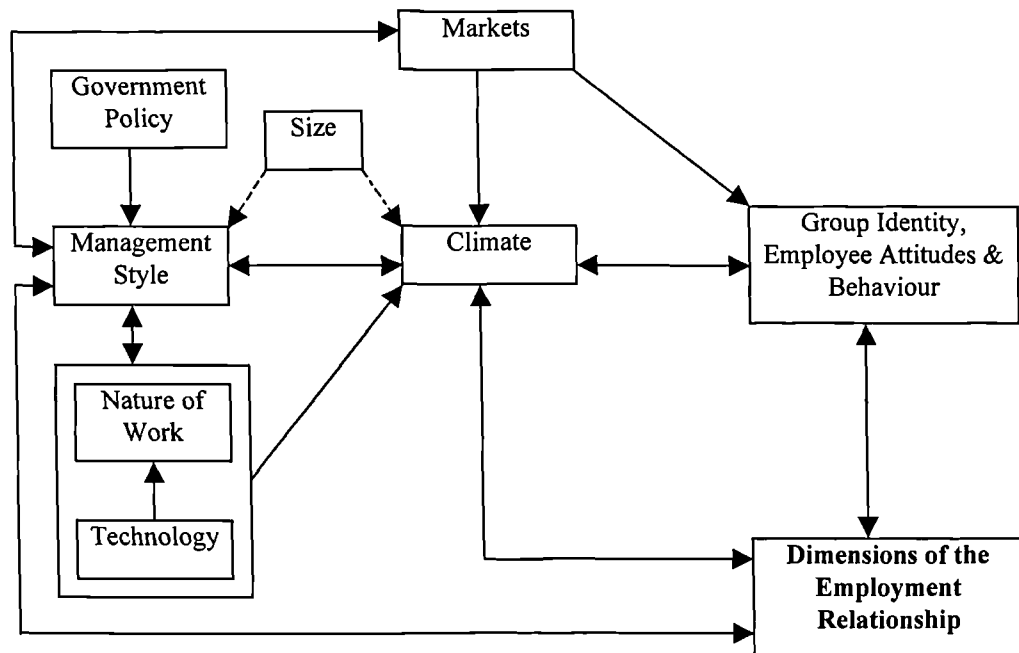
Overall, climate is a complicated factor in delineating patterns of relationship modification. It was influenced to different degrees by external factors and by management itself. At the same time, however, it also displayed the capacity to influence other independent factors which modified the relationship.

INTERRELATIONSHIP OF INFLUENCING FACTORS

Chapter three suggested that different independent factors, which could influence relationship dimensions, may also influence one another and in the forgoing discussion of different independent factors there was some evidence of multiple association. In this section a simplified conceptual model is given in

figure 12.7 in order to illustrate these interconnections. While this oversimplifies the dynamic and contradictory nature of relations, it does account for the intervening influence of climate, the role of management style, technological and market influences. It also suggests that size of work unit may influence labour-management relations, especially informal practices which could explain a degree of group cohesiveness and inter-personal climate.

Figure 12.7: Interrelationship of Independent Influences



CONCLUSION

This chapter has integrated and compared results from all organisations to provide a basis for general conclusions. The type of employment relationship was explained and a network of probable influences assessed against each of the five relationship dimensions. Accounting for these patterns of influence was

examined between and within each organisation and multiple associations between factors identified. From this research four general conclusions can be offered with regard to the processes of relationship modification:

1. Albeit in different ways, the generation of workplace relations in the absence of a union produce distinct processes of modification based on group identity and role behaviour.
2. In the absence of a collective intermediary, workers seek alternative avenues to satisfy their needs and wants. The most evident of which is emergent sub-climates around inter-personal and informal processes as a modification process.
3. Management style (both directly and indirectly) can shape the pattern of employment relations in non-union firms. In part managerial systems are shaped by other external influences, however it is also evident that management can exercise a significant degree of choice in how employee relations are modified.
4. Finally, it is evident that the employment relationship itself can influence the very processes that modify it. This signifies a cyclical pattern between the relationship and the intervening influence from climate.

In the final chapter the subsidiary research aims that were outlined in chapter one will be addressed and some implications for organisational managements, trade unions and public policy offered from the evidence reported in this thesis.

CHAPTER THIRTEEN

CONCLUSIONS AND IMPLICATIONS

INTRODUCTION

This thesis has explored the processes that are used to make and modify the employment relationship in a sample of non-union organisations. The relationships were shown to originate in the patterning of social processes in these organisations and despite (or even because of) the absence of a collective intermediary, there still remained a degree of mutual dependency between employees and managers with all that this implies in terms of inherent tensions and contradictions.

In this the final chapter the list of subsidiary research aims and questions outlined in chapter one are brought together to present a set of summary conclusions. This is followed by a consideration of the extent to which it is possible to generalise from these findings. Next, a number of implications are raised for management, trade unions and public policy with respect to the findings of this investigation. Finally, future areas of research are highlighted.

RESEARCH QUESTIONS

In order to address the focal research aims, a number of subsidiary questions were addressed throughout this thesis. These are set out in chapter one and reproduced below together with summary conclusions.

- i. What features define and explain the employment relationship in non-union settings?*

To answer this question, the five dimensions which can be used to characterise relationships were selected after a review of the extant literature. These were piloted empirically prior to in-depth investigation and the results for all organisations are given in chapter seven. This showed that employee relations in

non-union firms contained tensions, which were found by the differing degrees of trust, 'them and us' attitudes and HR strategy. From this, some multiple association between the dimensions were identified, especially between regulation and the extent of formalisation. To summarise:

Water Co. was characterised by unilateral regulation, although at workplace level this was ameliorated to some extent by a strong informal climate. At Chem Co. regulation was also unilateral, although this was explained in part by the structural features of the organisation, such as chemical processing. In contrast, at Merchant Co. the features of regulation were complicated by a fragmented managerial system and personnel function that was excluded from strategic decision-making. At Delivery Co. there were specific attempts at regulating through 'involvement bureaucracy', although even here there existed an extent of 'them and us' between management and employees.

ii) What influences (internal and external) shape the relationship where there is an absence of collective representation?

The separate case study chapters (eight to eleven) explored a combination of influences in each organisation which could modify these relationship dimensions. They were considered under five groups: external environmental factors, structural factors, personnel factors, organisational climate and actor attitudes.

In the external sphere, competitive product market pressures were found to be important. However, one finding is that it was not so much the 'ease of market entry' but rather the actual nature of customer relations which influenced the relationships. At Chem Co. this was identified as unique because to some extent

customers were also competitors. At Merchant Co., market pressures emanated from the knock-on effects of related markets. In contrast, at Water Co. speed of customer service was paramount, while at Delivery Co. an emphasis on quality had an influence on HR strategy and formalisation. In addition, wider government policy was important in all companies, albeit for different reasons. A further general finding is that there was an indirect influence from external factors, which also influenced managerial styles and organisational climate in each organisation.

Internal influences were more complicated. The prevailing climate in all companies intervened between some of the external factors (such as government policy and product market pressures) and the dimensions of the relationship. Internally, a dependency between workers and management was identified as important, as this dependency was also shaped by the relationship itself in each firm. Thus the ability of some sections of the workforce in each company to question management was influenced by the degree of trust and discreteness that existed. This meant that the relationship itself could influence its own processes of modification, and a graphical flow of these patterns was shown conceptually in figure 12.7, in chapter twelve.

iii) How do the parties communicate their feelings about rights, obligations and desires for change given the absence of an intermediary voice?

In all organisations the use of non-union voice mechanisms was constrained by several factors which shaped actor attitudes and influenced the relationship. For example, at Water Co. management imposed change without taking account of the feelings of employees that generated a climate in which employees became dependent upon their personal relations with supervisors at workplace level. In

contrast, at Chem Co. many of the rights of workers were marginalised by management *inaction*, while at Merchant Co. a fragmented managerial system translated into different layers of climatic influence and voice utility. In contrast, at Delivery Co. there was a carefully engineered climate of having ‘fun-at-work’ which was used to lubricate the needs and wants of both parties. However, this lubrication was not necessarily comparable to satisfaction, and pockets of resistance were identified owing to employee frustrations.

A general conclusion that can be drawn here is about the way that actor attitudes can shape events. The existence of a non-union voice mechanism is not the same thing as the mechanism having a utility. Consequently, employees needed to perceive they have a voice, even when the mechanism is in place. At Water Co., despite the lack of formal voice mechanisms, the inter-personal climate at workplace level allowed employees to articulate their needs and wants. At Delivery Co., despite the far-reaching use of employee ‘involvement’ techniques, workers were aware of their lack of ‘participation’. This gave one indication that management obscured the ‘real’ commodity status of labour with an ‘ideal’ of harmony through humour.

iv) Do non-union firms have a coherent set of employment policies, practices and styles of management?

The answer is almost certainly a resounding no. As explained in chapter twelve the policies, practices and styles of management overlapped both within and between these organisations. The firms were selected because of areas of dissimilarity, for which the rationale was given in chapters four and six. Thus in one respect it could have been anticipated that managerial styles and practices would differ. In another respect, however, it was also found that previous

theoretical methods of capturing style can be problematic. In particular, individualism and collectivism were not mutually exclusive but coexist together (Purcell, 1987; McLoughlin & Gourlay, 1994; Bacon & Storey, 1993, 1996).

In addition, it is evident that managerial approaches that could either substitute or suppress unionisation can be self-defeating. Water Co. clearly suppressed unionisation while Delivery Co. substituted any potential union triggers. However, it is doubtful whether Water Co. could have afforded the required sophisticated techniques found at Delivery Co. In contrast, Delivery Co. could and did substitute, but it also suppressed these triggers where substitution may have been wanting.

The conclusion is that these organisations all had different practices and managerial approaches. One implication is that style is a very important determinant in making and modifying the employment relationship. However, it should be noted that the patterns of influence were associated with organisational-specific circumstances, the nature the social exchange relationship and deeper meanings of managerial intent at each of the four firms studied. For example, Merchant Co. experienced the harsh realities of the product market to a greater extent than did any other firm which, in turn, influenced different managerial approaches within this organisation. At Water and Chem Co., style was very much the preferred ideological preferences of a dominant actor. This ideological preference was similarly noted for Delivery Co., although it was identified as a strategic 'tactic' which suited the commercial image of the organisation. Here, employees were equally disposable, although a developmental and nurturing approach was emphasised to a greater extent.

v) *In firms that do not recognise trade unions for collective bargaining purposes, what is the extent of employee union membership?*

This was perhaps the most surprising result. All four non-union firms had union members. However, the level of membership was extremely low, and there was no evident pattern to membership based on either age, gender or educational attainment. It is possible that some employees were members from a former employer, although at least one respondent was a member because of his belief in the principles of trade unionism derived from a history of craft status (see vi below).

vi) *What influence does union membership within a non-union firm have on approaches to making and modifying the relationship?*

From the evidence in this research the answer remains complicated and contradictory. Moreover, as a source of influence, the variable current union membership could not be related to distinct relationship patterns of modification across these companies.

Only three employees were prepared to comment on union membership which could be used to assess any possible influence. Two of these (one at Chem Co. and one at Water Co.) related union membership in the context of class and occupational identity. At Chem Co., one employee who was an older craft worker expressed clear ideological beliefs in unionism because of his apprenticeship some 20 years earlier in the engineering industry. In addition, at Water Co. there was a similar rationale from an employee who was a former joiner, although there was also some indication that membership continued by accident rather than conviction. The other union member was employed at

Water Co., and actually joined a union because of managerial action and perceptions of injustice. As it stands, actual union membership could not be related to distinct patterns of influence in these employment relationships.

Of course, this may appear less significant simply because actual union membership was so low. In response to this, another related variable could be attitudes towards unions among employees in non-union firms rather than the actual level of membership. In this respect, collective and inter-group identity were found to be more important influences. In part, this was explained by social values and occupational cohesion among sections of each workforce. In this way the importance of attitudes rather than actual membership becomes more important. Although partial and uneven, this implied that perceptions of 'attribution', that is management have to be blamed for some action, could influence the triggers to unionisation which then shape the nature of relations.

GENERALISABILITY OF RESULTS

For this research to have substance, there must be a degree of confidence in the generality of the findings. In one respect, this investigation has explored a neglected area of industrial relations and therefore advances the body of knowledge about non-union firms. In another respect, this study has been conducted in only four organisations. However, it has done so at a level which explains not only the features of non-union relations but more importantly how these are made, amplified and modified.

There are more compelling arguments which makes generalisability possible from these findings. First is the basic fact that a *majority* of British workers now have their terms and conditions modified in the absence of collective bargaining. By using a comparative case study approach and incorporating

different industries, markets and size of organisation, with care the finding can have a wider applicability to other non-union situations. Thus where McLoughlin & Gourlay (1994) looked at high-tech firms exclusively in the South East of England; Rainnie (1989) small firms in the clothing and printing sectors [1]; and Guest & Hoque (1994) extrapolating non-union characteristics from large scale quantitative surveys, this study has explored a sample of different non-union firms in greater detail for which the findings could be used elsewhere.

Second, the analysis in each case study chapter has also demonstrated that similar factors are important in the processes of relationship modification across these different organisations. Thus the importance of management style, the prevailing climate, the response to market pressures and the dependency nature of relations between workers and management are factors likely to be present in any workplace. How these are modified and shaped are important determinants which can explain and advance workplace industrial relations more generally.

IMPLICATIONS

The research in this thesis raises many implications for industrial relations, both in theory and in practice. While these implications can be almost infinite, three broad areas are considered for management, trade unions and public policy.

FOR MANAGEMENT

The management of employment relations in the organisations encountered in this research was neither straight-forward, harmonious nor conflict-free. This covered firms that had de-recognised unions as well as those that have never

¹ Rainnie's study was not specifically an examination of non-unionism, but rather a 'political economy' of small firm industrial relations.

experienced a unionised relationship. At Merchant Co. (chapter ten), BP and Co-Steel (chapter five), there was a strong indication that management moved from a union to non-union relationship because of pragmatic and ideological reasons. In short, they all recognised an opportunity to further marginalise collective representation, albeit in different ways and by different means. However, precise organisational benefits from doing so were not entirely clear. Moreover, management still encountered the dilemmas associated with managing employees in the absence of a union, in both union de-recognised establishments and among those that had never experienced unionism.

In one respect, these dilemmas can be traced to a well cited (although often forgotten) adage, 'that to gain control management must first learn how to share it' (Flanders, 1970). For management, despite the vocabulary of a 'new industrial relations', of 'post-modernist discourse' or 'human resource management' as a strategic approach to modifying employment relations, there remained deep rooted tensions and contradictions which remained problematic. This issue is not new. Management in all firms displayed an inherent tradition of unitarism, and this rests on an ideological premise of harmony and shared interests. The implication is that management still need to learn that employees can, and do, have different interests to those of the employing organisation. Moreover, the absence of trade unionism does not in any way alter the difficulties of seeking to control but also encourage commitment from workers. From this basic premise and the findings reported throughout this thesis, there are numerous implications for management.

One is the way in which employees are treated. In this respect management may benefit by considering the prevailing climate; in particular, how employee concerns are handled. It is unlikely that climate will change the culture of an

organisation or eradicate the tensions, but considering the intervening influence of climate could ameliorate the concerns expressed by employees. At Delivery Co. and to a lesser extent at Merchant Co., there was a more receptive response to climate. In the former this was related to a climate of employee involvement and at the latter the role of personnel was considered more favourably than the fragmentation of line management. In addition, lessons could be learnt from inter-personal climatic factors. For example, in descending order of significance, at Water Co., Merchant Co. and Chem Co. there was a stronger reliance on inter-personal climate among employees. This was often an accommodation by workers in order to articulate their needs and wants. By considering the processes which influence climate, management could shape the degree of formalisation and possibly of trust in the relationship.

A second and related implication, is that of the management of change in these non-union firms. The findings would suggest that a greater degree of managerial freedom exists owing to the union absence. However, this is not without problems. In the context of social exchange, management were by far the most powerful actor and while change was often imposed unilaterally, this did not mean employees were prepared to accept or support managerial change. In Water Co. and Merchant Co., with a greater degree of unilateral regulation, there was a higher measure of negative attitudes to management. In contrast, at Delivery Co. a more joint approach was accompanied with higher positive employee attitudes. Significant in these is the *relativity* of attitudes and the objects they reflected. Employees were not overwhelmingly negative about their actual work, co-workers and in some cases the company. Thus management may benefit from the way they communicate to employees which could address the concerned lack of voice.

A third implication is that management cannot assume the employment relationship will remain union-free. While this research was concerned with matters beyond the structural indicators of a propensity for employees to unionise, there were clear signals that possible union triggers were active across most firms. In short, managerial complacency, the use of exploitative practices and even ideological sophistication are no guarantors of non-unionism. Moreover, it could be that where employees develop perceptions of 'attribution', the attractiveness of unionisation is heightened. In terms of the impending Fairness at Work legislation, two possible implications for management can be suggested. One is the need to ensure that resources, time and effort are devoted to the way employees are managed where unions remain absent. The second is for management to consider how to deal with trade unions should workers opt for collective recognition. Above all, there is evidence that management can work effectively with trade union organisation in allowing workers to articulate their needs and wants (among others; Donovan, 1968; Flanders, 1965, 1970; Clegg, 1979; Freeman & Medoff, 1979; Marchington & Parker, 1990; Broad, 1994; Taylor, 1994; Adams, 1995; Guest, 1995; Leahy, 1996; Towers, 1997; Tuckman & Finnerty, 1998)

FOR TRADE UNIONS

The 1980s has been described as a 'nightmare' decade for trade unions (Bradley, 1994). It was also noted in chapter one that the 1990s has since witnessed a resurgence in contemporary debates about employee relations and, in particular, the prognosis for trade unionism. *Inter alia*, contemporary debates have pointed to various union strategies in response to the 'nightmare' decade. These were noted as forms of 'pragmatic accommodation' (Ackers & Black, 1992; Taylor, 1994); 'making Donovan work' (Martinez Lucio & Weston, 1992) to a mixture of 'adversarial and combative resilience' (Heaton & Linn,

1989; Heery & Kelly, 1994; Darlington, 1994, 1996). More recently, analysis has been concerned with a 'new model of union organising' within the spirit of social partnership (Heery, 1996; 1998a, 1998b; TUC, 1997; Claydon, 1998).

Central to these debates is the ability of unions to widen membership among previously unorganised groups, particularly the SME and non-union sectors. Kelly & Heery (1989) describe this 'distant expansion' as a crucial ingredient to any form of revitalisation. The findings from this investigation add to these contemporary debates, although they can be interpreted in either of two ways.

The first interpretation is that trade unions could be seen as a benefit for employees at all four organisations. Unions have a long history as agents for change. They can also counterbalance the downside of unilateral regulation, arbitrary rule and exploitative practices. Allied to this is that recent evidence has pointed out that unions can be a valued voice channel, even where full blown collective bargaining has been curtailed (Tuckman & Finnerty, 1998). Arguably, trade unions could interpret the attitudes among non-union employees in a favourable light. Indeed, albeit to different degrees, workers did not display clear anti-union values and there was some evidence of inter-group identity from which collective agency could be built. In addition, there is evidence that suggests trade unions can act as a conduit for management as much as workers, with economic benefits accruing from more efficient managerial systems (Freeman & Medoff, 1979; Hirsch & Addison, 1986). In this context, a union could be seen as beneficial to employees (and possibly management) in these firms.

Notwithstanding the above, the implications for trade unions can also be viewed in a different light. For example, if 'distant expansion' is to recapture lost membership, then this would require organising efforts among non-union firms not too dissimilar to the organisations examined in this investigation. One problem is the diversity and complexity of specific work environments and how these relate to union strategies for 'distant expansion'. At Water Co. and Delivery Co., for instance, the context of work and managerial systems within each respective call-centre was very different. For some, employment and the technological surveillance in call-centres is viewed as a modern version of Taylorism (Arkin, 1997; Knights & McCabe, 1998). However, there is a difficulty and unease about the generality of such claims. At Delivery Co., the significance of a paternalistic management style and specific climatic factors tended to obscure the market commodity of employees with trips to Alton Towers and fancy-dress days around the office. The implication being that trade union organising strategies which seek 'distant expansion' would need to reflect the diversity, context and variation of work experiences within such uncharted territories.

Allied to this is that recent union organising initiatives have been focused on extending recruitment where recognition and membership already exists, rather than directing attention to non-union sectors or in relation to specific work contexts (TUC, 1998; Winters, 1999). Perhaps a more important issue could be that the favourable attitudes towards unions among employees may be a 'necessary' but not a 'sufficient' condition for distant expansion. For example, both Willman et al (1993) and McLoughlin (1996) suggest that unions also need to appeal to employers. However, the evidence in this investigation has shown that the ideological opposition by management to unions is itself an extremely difficult barrier to cross. As Roy (1980) comments:

“[management] propagate a robust detestation of what unions are by nature. ... management’s last line of defense against the institution of collective bargaining does not lie in preventing victory of the union forces in the organizing campaign ... the parties must bargain in good faith, but good faith is a slippery concept”

(Roy, 1980: 409-13).

More recently, the first WERS (1998) findings indicate that anti-union sentiments among managers are likely to be especially important in smaller organisations (Cully et al, 1998:15). Explanations why these attitudes are important can be traced to several factors. One is that the nature of a small social setting can mean conflicts ferment over time, especially where employees lack a systematic voice channel (as evidenced at Water Co. and Chem Co). A second factor is many small firms accord a low priority to employee relations as owner-managers believe such matters incur added costs and burdens on the business (Storey, D., 1994). A third explanation for the importance of attitudes is that many managers of SMEs assume that ‘what is good for the business is also good for employees’. As Goodman et al (1998) point out from their findings into small businesses and disciplinary procedures:

“senior managers ... aspired to the same unitarist notion of ‘a happy ship’, a loyal and co-operative team, and a workforce as committed as the senior managers/owners to the continued success of the business”

Goodman et al (1998:547)

With these considerations and the evidence in this research, it is questionable whether union organising strategies underpinned by a philosophy of ‘social partnership’ would appeal to management. It may also be that employees in these firms, faced with a hostile and self-confident management, fear possible

reprisals should unionisation emerge with any significance. Or it may be that paternalism outweighs any immediate triggers to unionisation among employees which would indicate a different set of implications for trade unions. The fact that there was a lower instrumental pattern of union support among employees could be interpreted in this context. Indeed, a case could be made that no matter how well-intentioned union strategies are, it is questionable whether these are likely to gain sway against an unwilling opponent or alleviate potential fears among employees when the central ingredients rely on the concept of mutual gains between opponent groups.

FOR PUBLIC POLICY

This research has taken place during a unique period in British employment relations - at least regarding the institutions of employment regulation. Between conducting fieldwork and writing-up there have been several landmark events, not least of which was the election of a new Labour government promising 'fairness not favours' for trade unions. Some of the specifics include the ban on trade union membership at GCHQ lifted; a national minimum wage introduced in Britain for the first time; legal rights for trade union recognition are about to enter the statute book; workers can be accompanied by a union representative for a serious grievance, even in non-union firms; working time legislation has come into force; laws on unfair dismissal are pending; and a new era of family-friendly policies are now contained in the Employment Rights Bill (1999).

It is too speculative to suggest what impact these will have on either non-union relations or possible 'distant expansion' of union membership among firms such as those explored here. What can be said, notwithstanding the controversy over ballot requirements for union recognition, is that this could alleviate employee fears in non-union organisations, and may be a welcome comfort for employees

who may find union membership attractive but are hesitant because of management opposition. On the other hand, it may ignite similar controversies over enforceable recognition, such as those at Grunwick in the 1970s. In chapter five it will be recalled that the Personnel Director of Co-Steel Sheerness was adamant that his company would not go back into a unionised relationship despite impending legislation to the contrary. Of course, that was before a change of government and now that such provisions are law, such a perspective may well change. Nonetheless, it does give an indication of how deep rooted anti-union sentiments run among non-union managers, which was similarly noted in other organisations studied.

A more pragmatic implication is that the shift in public policy has limitations. One of these is the possibility that a large proportion of non-union firms will be exempt from these new laws. For example, provisions in the Employment Rights Bill (1999) exclude organisations that employ less than 20 workers. In chapter one it was noted that the typical non-union firm is likely to be found in the SME sector, where less than 1% of those employed in small establishments are members of trade unions (IRS, 1998), and those that employ less than 250 workers account for 99% of all companies (DTI, 1998). One estimate suggests that these rights will by-pass around 5 million workers employed in SMEs (TUC, 1998), with potentially discriminatory effects because many smaller firms employ a greater proportion of women who are often part-time workers (Winters, 1999). Thus while changes in public policy may be beneficial, the actual impact in smaller firms which are non-union must be treated with caution at this stage.

FUTURE RESEARCH

From this investigation the potential areas of further research fall into two broad categories. The first arises from the limitations in generalisability of four case studies. The second is that these findings point to other areas of research that could usefully add to the knowledge about employment relations.

For the first category it must be recognised that a single research project such as this has limitations. To some extent these limitations were minimised by selecting a cross-section of companies of different sizes. Nonetheless, the fact remains that only four cases put limitations on the extent to which generalisations can be made, since each firm was subject to its own set of organisational-specific factors. In this respect, generalisability could be improved by replicating the methodological approach in other non-union firms.

In addition, it was necessary for empirical reasons to examine the patterns of social processes in a static form. In reality these are dynamic and therefore replication could address this by using a longitudinal approach that accounts for changes in the direction of non-union relations over time. Given that some variables in this research are in a process of change (e.g. government policy and legislation), and that these are important influences, it is appropriate to consider the impact of these changes on the dimensions of the relationship in the future.

The second category includes several related areas of further research from the findings reported throughout. One important influence on the processes of modification is identified as the prevailing climate in each employing organisation. This often represented an intervening influence between the dimensions of the relationship and related independent factors. Prior research on

industrial relations climate tends to be related to unionised relationships, to which there remains a lack of understanding about the antecedents and causal patterns of climatic influence. That is, we know how to identify what types of climate exist and can, with a reasonable degree of accuracy, forecast its outcomes. However, we know very little about the antecedents of climate. Further research on climate, in both union and non-union relationships, could add to the body of knowledge about the constituent components of climate and how these influence relationship dimensions.

Another area of research is employment relations in small firms. Much of the literature here tends to present one of two polarised perspectives: that small firms are either all good or all bad (Wilkinson, 1999). Secondary evidence suggests that many of these firms are possibly non-union. However, what is missing is whether these constitute a different model of industrial relations owing to size or to non-unionism. In this investigation there was a much stronger indication that size of work unit explained some of the social processes rather than the size of organisation. However, there were also some key issues particular to the SME cases (Water Co. and Chem Co.); namely, management styles and climate in identifying patterns of workplace compliance. This would suggest that research in smaller firms could usefully add to the body of knowledge.

A third area for further research is management style. There remains a wide-ranging debate regarding management style and management strategy. This investigation has suggested that schematic categories of managerial styles can obscure the real situation with an ideal. How managerial ideologies are translated at workplace level can have very different meanings in practice than

the existence of policies, or how far these are seen to be integrated with business strategy.

This would require a wide study which encompassed a methodological approach that could assess managerial *intent*. However, '*intent*' is less visible than policies and procedures, and therefore an interpretation of events and the experiences of actors to those events are equally important. In addition, the framework would need to explain how different styles of management can shape behaviour and, more importantly, under what circumstances. This investigation and prior work in the area of management style has contributed to these matters, although future research could also address questions of epistemology. One corrective is to re-evaluate the tradition of industrial relations case study research that has waned in recent years (see Brown & Wright, 1994).

Allied to management style can be suggested a final area worthy of further research - the changing context of work and in particular the work environment in call centres. The work processes and systems of management in these call centres is increasingly important for both small and larger organisations. One estimate suggests that a quarter of a million jobs have been created in such establishments over the past 5 years, covering banking, telecommunications, transport and retailing industries (IDS, 1997). Above all, given the celerity of call centre growth there is a need for longitudinal analysis of these employment relationships. From this investigation there is evidence of extreme diversity in call centre employment practices (i.e. Water Co. and Delivery Co.). This raises questions about organisational climate, management style, work intensification, technological control, the influence of product markets and the impact of customer service quality initiatives on employee relations. Research into such

employment could usefully add to the body of knowledge about the changing contexts of work, of non-union relationships and the factors likely to be important for 'distant expansion' of union membership.

RÉSUMÉ

This research set itself specific objectives, outlined in chapter one, which were to explore what the employment relationship *is* in non-union firms and what factors influence the processes of modification. The theoretical and empirical rationale was explained in chapters two and three. A consideration of appropriate research methods was given in chapters four and five. The actual practices of these non-union firms was given in chapters six to eleven, and the context and implications of these reported in chapters twelve and thirteen.

Given almost 20 years of collective marginalisation, anti-union legislation and market restructuring, the non-union firm looks destined to remain a visible feature of British industrial relations. Time will tell whether a change of government will interrupt the ebb of union decline, however the prevalence of the non-union firm cannot be fully explained by the loss of union members. The relationships between managements and employees in these organisations remains one of conflict, with 'them and us' patterns of behaviour amongst managers as much as employees. These employment relations are central to around two-thirds of the working population. How these relations are made, amplified and modified is a central ingredient to both the theory and practice of industrial relations. Albeit in a small way, it is hoped that this research goes beyond stereotypical images of non-union firms and contributes to an understanding of the patterns of employment relations in the absence of a collective intermediary.

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