

Statistical and Social Inquiry Society of Ireland

Workers' Participation in Management

By CHARLES McCARTHY

(Read before the Society on Friday, 6th November, 1970)

INTRODUCTION

It seems to me that it would be quite inappropriate to confine this paper to a discussion on the role of workers' representatives at top management level. Management is a function which occurs at all levels in a firm, from the activities of a firstline supervisor on the shop floor to those of a general manager. This is why so many people prefer the phrase industrial democracy, conveying the idea, as it does, of a lifestyle, a manner of approach, more profound than the particular and varying institutions which give it expression.

We must recognise as well how immediate and urgent this problem is. From what we can judge both from various studies (particularly those sponsored by the Human Sciences Committee) and from our own experience in the trade union movement, there is among quite a number of workers in industry in Ireland a marked sense of alienation, of non-belonging, which expresses itself in a desire on the one hand for greater participation, and on the other in industrial unrest which forms as it were the backdrop against which strikes occur.

Yet the irony of it is, from what we can gather from a study by Scaife and Pierce¹ that those managements who feel very satisfied with the manner in which they are communicating with their workers may frequently be the very ones who need to do a great deal more. Furthermore, it appeared from the same study that communications were not necessarily better in small firms. Indeed in the five firms examined by Scaife and Pierce, communication was worst in the two smallest firms (the smallest having 40 men on the shop floor) and best in the second largest, which had nearly twice that number.

I propose to approach the problem in three stages. In the first place, I shall discuss the position here; secondly I shall deal – to some extent at least – with the more interesting experiments in other countries and finally I shall consider what steps might be taken here at the present time.

1. Communications in Industry between Management and the Shop Floor: W. Garret Scaife and Michael Pierce : INPC 1969.

THE POSITION IN IRELAND

Although I do not propose to confine myself to this aspect, nonetheless I think I should begin by discussing workers' representatives on boards of management. In Ireland, where this occurs, it does so in the state-sponsored bodies, so aptly described by Basil Chubb as the considerable penumbra which surrounds the central administration². The number of these is quite astonishingly large, perhaps sixty in all, with all sorts of activities from marketing and production to social services and research. I know of no instance where the workers in such a concern actually elect a board member, but trade union officials, by reason of their trade union background, are members of quite a number.

To my knowledge there are two where the Irish Congress of Trade Unions is in practice a nominating body to the board of directors. These are An Chomhairle Oiliuna (the body concerned with industrial training and apprenticeship) and the Irish National Productivity Committee. In both cases, the Irish Congress of Trade Unions reviews policy on occasions, and the nominated trade union members consult unions from time to time on matters which affect them. The consultation however is concerned essentially with policy matters, and almost never in my experience with matters affecting the working conditions of the employees of the body itself. These are left to the appropriate union or unions which organise the workers concerned, and these unions in turn deal with the management, not with the directors, except in very exceptional circumstances. These two bodies, however, are by no means typical. Normally when we think of trade union representatives on semi-state boards, we think of Coras Iompair Eireann (the transport authority), the Sugar Company, Aer Lingus, Radio Telefis Eireann, the Electricity Supply Board and a number of similar organisations.

While there are persons with a trade union background on such bodies, often indeed very prominent trade union officials, nevertheless they are appointed by the Minister concerned without consultation with either the trade unions or the employees. This is justified on the grounds that the person is being appointed by reason of the personal contribution he can make, not because of any representative capacity he might fill. In the case of the E.S.B. this problem was commented on by a committee of inquiry in 1968,³ which, as you may remember was established to inquire into industrial relations and which was under the chairmanship of Professor Michael Fogarty of the Economic and Social Research Institute.

In their interim report of July 5th, 1968, the committee of inquiry states: "We understand that there is for all practical purposes no work-

2. *A Source Book of Irish Government*, edited by Basil Chubb: Institute of Public Administration, Dublin. 1964. p.313.
3. *Interim Report of the Committee on Industrial Relations in the Electricity Supply Board*, Stationery Office, Dublin, 1968. Pri. (191).

ing connection between the unions and associations operating in the Board and the member of the Board who has been nominated to it on account of trade union experience".⁴ The committee insists that employee representatives on the Board should be seen by the staff and their unions and associations as effectively *their* representatives, and that they remain in close and regular contact with union and association officials and employee representatives at lower levels within the E.S.B. "It may be desirable", says the committee, "for the Minister to nominate a trade unionist as a member of the Board on the basis of his experience in some field other than electricity supply and irrespective of his ability to represent E.S.B. employees. With this we are not here concerned. What we do wish to suggest is that the Board should include at least two part-time members, chosen by methods meeting the conditions we have just suggested, and with a particular responsibility for keeping contact with other employee representatives and generally for watching over the Board's industrial relations pattern".⁵

The committee introduced a number of possibilities for restructuring the Board of the E.S.B., one being the division of the board into an executive board and an advisory board; the latter consisting of the part-time members and having the responsibility of representing at board level the community and the employees. "It would appoint the members of the executive board, have full power to check on their work, and be expected to approve major changes of policy. It would however have no power to intervene directly in management".⁶

This concept of a supervisory board and an executive board is prominent in German company law and is dealt with extensively by Professor Fogarty in his book "Company and Corporation—One Law?"⁷ to which I will return later. Unfortunately, as far as the E.S.B. is concerned this very interesting proposal has not been put into operation, although I gather that this is no fault of the Board.

Curiously enough the only example of this general kind of arrangement is found in education, where the management of the regional technical colleges has taken the two-tier shape indicated by the E.S.B. committee.

In April, 1967, a Steering Committee on technical education reporting to the Minister for Education on the establishment and design of regional technical colleges, also made a recommendation on the wider but related aspect of all regional educational development. "We suggest," they said, "that consideration be given to the establishment of regional education councils having accountability in as much as possible for all education

4. Ibid. p. 11.

5. Ibid. p. 11.

6. Ibid. p. 9.

7. "Company and Corporation - One Law?" Michael P. Fogarty: Geoffrey Chapman, 1965.

in each of the regions”⁸ The Steering Committee recommended that the councils should consist of people representing industry, trade unions, professional groups, higher education, nominated members of existing vocational education committees, agriculture, ecclesiastical authorities, teachers, senior students, local authorities, Minister's nominees, and so on. They also recommended that each council should have an Executive Bureau appointed by the council. This closely parallels Dr. Fogarty's supervisory board having among its members both the consumer and the employee (the teacher) and having the power to appoint the executive bureau. It is clear that the Minister for Education took this concept very seriously although in practice he decided, probably wisely, to confine the idea to the management of regional colleges without venturing into the wide field of all educational provision which might be organised on a regional basis.

It was decided therefore by the Minister that each college should be run by a board of management of five, one nominee from each of the following (drawn as far as possible from the local area): the Irish Vocational Education Association (that is the association of all vocational education committees), the Chief Executive Officers Association (that is chief executive officers of vocational education committees), the Federated Union of Employers, the Irish Congress of Trade Unions and the Department of Education. Furthermore, it was decided to establish a council in respect of each college which would recommend general policy for the running of the college, and that membership of the council should be as follows: one nominee from each vocational education committee in the region, two from the Federated Union of Employers, two from the Irish Congress of Trade Unions, two from the Department of Education, one from the bishop of the diocese, two from the Vocational Teachers' Association and three to be nominated by the Minister, obviously to be of independent character. This of course was essentially conceived as an advisory board, with no powers of appointment to the Executive Board, and with few of the supervisory powers suggested by the E.S.B. committee. Yet it was clearly intended to be a council of considerable stature, and there was also clearly an attempt to represent the consumer and the teachers. With regard to the last, the Vocational Teachers' Association decided that their representatives would be elected from among the teachers in the region, each representative to serve for a two year period only.

Unfortunately this whole idea ran into heavy weather. It was clear that the regional technical colleges would do much of the work that was traditionally regarded as part of the functions of vocational education committees and while these committees and their chief executive officers were strongly represented both on the board of management and the college council, nevertheless it was true that this was a new body

8. Report to the Minister for Education on Regional Technical Colleges, Stationery Office: Pri. 371. p 30.

not only engaging in technical education but in some cases actually taking over courses already developed by vocational education committees.

The vocational education committees began to exercise considerable pressure on the Minister in order to gain control of the colleges and eventually in April, 1969, a compromise arrangement was worked out. It was agreed that the board of management of the college would in fact be a sub-committee of the vocational education committee under section 21(1) of the vocational education act 1930. This paragraph empowers a vocational education committee to appoint sub-committees "... for the exercise or performance of any of its powers, duties and functions which in its opinion can be better or more conveniently exercised or performed by a sub-committee". There is provision in the succeeding paragraph 21(2) giving the Minister power by order to require a vocational education committee to appoint a sub-committee for such purposes but that paragraph has not been availed of. The board would run the regional technical college, but would "... report back to the vocational education committee of the area for confirmation of its acts". There were some changes in the board personnel which need not delay us; and it was also agreed that the advisory council should be established along the lines originally proposed by the Minister for Education. This at the best is rather a tangle, but there is a hope at least that both the management board and the college council will operate in practice as they were originally intended. The boards and the councils have only recently been established and we must wait and see how things develop.

It is clear then that we are indeed very far from the concept of an executive board and a supervisory board along the lines visualised by the E.S.B. committee. The committee in its report pointed out that not alone is this pattern traditional in German company law but that it is rapidly spreading through the rest of the European community. "It is now", they say, "being written into the company law of Belgium and Holland, has been adopted as an optional pattern in the most recent French Companies Act and is also adopted in the official draft plan for a European company".⁹

Yet the subject is not quite as open and shut as this might lead us to believe. In recent years considerable interest in this problem has developed in Scandinavia and in Norway a research team studied the experience of Norwegian industries with employee representation on company boards. The team was drawn from the Institute for Industrial Research in Trondheim and the Tavistock Institute of Human Relations in London. From what I can gather their report was widely debated in Norway. It's main conclusions are summarised by Dr. E. Thorsrud of the Work Research Institute, Oslo, in a paper entitled "Socio-Technical Approach to Job Design and Organisational Development". The team studied not alone the Norwegian experience but also drew together experience from England, Poland, Yugoslavia and West Germany. Their

results were not encouraging. They found that the majority of employees were not involved in or committed to the representative activities. Furthermore, the trade union representatives on the boards found themselves in a somewhat ambivalent position. In Dr. Thorarud's words: "Looking at the behaviour of employee representatives on Norwegian boards, it becomes clear that although they legally share in the power of the board, they find it very difficult to see how to use that power in ways that are in accord with the usual board purposes and also make a direct impact on the working life of their constituents". These studies contributed to the belief in Norway that "... the key to the problem lay in democratising the relations on the job itself, rather than superimposing elections, representatives, joint committees and the like".

This idea of democratising the job is, I believe, a fundamental one and full of practical insights and procedures. I shall return to it in our second section, when we deal with experience abroad.

My purpose in quoting the Norwegian experience briefly here is to contrast it with the E.S.B. report on the merits of worker representation on boards of management.

I have had some experience of being a person with a trade union background nominated to a semi-state board by a Minister, and perhaps I should add my own three and fourpence here. Furthermore, I have on more than one occasion discussed the question with colleagues of mine in the trade union movement who have wide experience of board membership. In the first place I believe that the appointment of trade union people to such boards does indeed promote some general climate of confidence, not only among the workers but in society generally. I concede however that this is probably marginal; and in all probability it would be more correct to say that there would be some anxiety if the practice was abandoned without the provision of a reasonable alternative.

I would certainly support the view of the E.S.B. committee that as far as representing the workers in the undertaking is concerned, the appointment of a trade union person by the Minister is probably neither here nor there. This is quite understandable. A director of a board in these circumstances must concern himself explicitly in direct management matters; yet on the other hand, it would be wrong to underestimate the effect of his presence on general management style, particularly as far as industrial relations are concerned. This is by no means to say that the management will always act favourably to his presence; the contrary can occur. Nevertheless I have no doubt that management style is influenced.

Furthermore, trade union representatives of the staffs readily appreciate the position of a trade union director and his concern with the wider questions of policy. They are the first to recognise as well the extraordinary complexities which would be introduced in practice if the trade union director were understood to be either an alternative

negotiator to the union or a negotiator in a higher court. Yet I am satisfied that there is a profound need for direct representation by workers on the boards of companies that employ them and I follow the E.S.B. committee in this matter. It is sufficient at the moment to note the different views and to remark particularly on the emphasis which the Norwegians have given to democratising the job as a whole.

It is for this reason we must now look more closely at the firm in its total workings and at other means of participation. I propose, therefore, to turn to joint consultation in practice in Ireland, the kind of procedures that have been adopted and so forth; and then I shall deal with the much deeper concept of job democratisation as it was understood in the Norwegian experiment.

In the matter of joint consultation in Ireland, we are fortunate in having available to us a very useful survey prepared by Mr. T. Murphy of the Development Division of the Irish National Productivity Committee.¹⁰ This publication also contains a brief survey of recent experience abroad and concludes with a helpful discussion not only on joint consultation but also on job enlargement which implies the democratisation of which I have already spoken.

While of course works committees have existed in Irish industry for some considerable time, very little was known of their form or their number until Mr. Murphy undertook his survey. He confined his study to manufacturing industry, essentially because it was the only sector for which a complete list of firms was available. The first stage of the survey merely attempted to determine the number of firms using joint consultation. In the case of firms employing between 100 and 500, the percentage lay somewhere between 21% and 43%, while in the case of firms employing more than 500 the percentage was markedly higher.

Of the firms in the 100 – 500 category who were using joint consultation, over 50% (nine firms in what was of course a small sample) set up joint consultation committees between 1964 and 1969, “. . . which would seem to indicate that in recent years there has been a growth of interest and activity in setting up procedures”.¹¹

The employee representatives were usually selected by some form of election within the factory, while in almost all cases the chairman was a management representative. As a rule matters which were the prerogative of trade union/management negotiations were excluded. On the whole the committees were seen as being helpful in running the company.

The second stage in the survey was an examination in depth of four firms (five factories, since one firm had two separate plants). Individual and group interviews were conducted for this purpose. The factories were concerned with respectively: metals and engineering (253 workers), clothing (300 workers), textiles (500 workers) and two with food, em-

10. Joint Consultation in Practice: a study of procedures and attitudes: Development Division, Irish National Productivity Committee: 1969.

11. *Ibid.* p. 23.

ploying in one case 208 workers and in the other 178. In passing, it might be noted that only one of these factories had a full-time personnel officer.

The first thing that strikes one on reading this most helpful survey is the appalling danger of triviality in the issues raised: tea, towels and toilets, in the words of Arthur Marsh. There was virtual unanimity among both workers and management in maintaining the distinction between trade union negotiation issues and issues appropriate to joint consultative committees. Perhaps I should quote Mr. Murphy at this stage: "Generally the intention in joint consultation is that it is possible to arrive at a solution to a problem which is of benefit to both parties and that through discussion a situation can be arrived at where the facts determine the solution. Implied in negotiation on the other hand is the fact that two parties are in conflict and that the determining factor is the power that can be exercised by one party on the other party to agree to its proposals. So in the case of negotiation a conflict of interest is recognised and in the case of consultation a commonality of interest is recognised . . ."¹²

Later, however, Mr. Murphy says: "There were indications in some factories, however, that while in theory one can draw a distinction between matters which are the subject of conflicting interests and therefore should come under the scope of negotiation and matters which are of joint interest, and should come under the scope of consultation, in practice the distinction is likely to be blurred."¹³

A great deal clearly stemmed from the ambivalent position of the trade union representative where the trade union did not appoint or itself elect to the joint consultative committee; and clearly too a good deal turned not so much on the nature of the issue but its scale. I shall return to this when we come to consider certain conclusions. In circumstances however where a sharp distinction is maintained between trade union matters and consultative matters there is always the danger of a rather pointless triviality, so much deplored particularly by the men workers. In the face of virtual unanimity on the exclusion of trade union matters the men workers generally considered that more matters concerning production problems should be included. While this undoubtedly would make the committee more significant it is doubtful if it would increase a sense of participation among the workers, apart from those directly involved in the committee discussions.

Another major problem apparently was the difficulty of communication between the workers and their representatives, or perhaps more accurately the difficulty of one group relating to the other. There was a tendency for the representatives to say that workers were apathetic in raising matters, and for the workers to complain that they were not being kept adequately informed.

12. *Ibid.* p. 82.

13. *Ibid.* p. 83.

Indeed I gained a very strong impression that the committees were perceived, particularly by management, and to quite an extent by the workers, essentially as means of communication, not really as means by which the workers participated in any significant way in management. This raises the whole question of what communication really consists in. Before taking up that question, with particular reference to the study of Scaife and Pierce, it is important to emphasise that in the Murphy study both management and workers, despite the difficulties I have mentioned, saw the committees as helpful, and one factory with a poor dispute record reported that they had had no strikes since their joint consultative committee had been established.

Communication is really an organic thing, a function indeed of good organisation, and since management determines to a substantial extent the style of the organisation, a positive attitude by management is crucial. The pivotal position of management in this whole field emerged both from the Murphy report and the report of Scaife and Pierce. It is clear from the latter study that the initiative for management-worker communication must come from management and its nature and extent depends on the enthusiasm of management for it.

Communication is really an organic thing, a function indeed of good organisation, and since management determines to a substantial extent the style of the organisation, a positive attitude by management is crucial. The pivotal position of management in this whole field emerged both from the Murphy report and the report of Scaife and Pierce. It is clear from the latter study that the initiative for management-worker communication must come from management and its nature and extent depends on the enthusiasm of management for it.

Dr. Scaife found as well that the majority of trade union officials would welcome greater management-worker communications at factory floor level. They see this not as an abdication of their responsibility but rather they feel that minor issues are best ironed out on the spot. This parallels some of Murphy's findings that a joint consultative committee could properly, in the eyes of some trade union officials, deal with minor shop floor matter which, in the larger context, would be trade union matters.

Dr. Scaife emphasises in his study the importance of the personal element, not only in the enthusiasm of management and its approach which I have already mentioned, but in a number of other most important areas. He found that the role of the foreman is vital, being in himself both the gateway and the barrier to communication. Moreover he concluded that from the industrial relations point of view, the most important form of worker-management communication is personal contact; but at a more profound level still, the research workers were very forcibly struck by the great need of the workers for personal recognition by the management. This, frequently, would have been met by being merely bid the time of day by the manager. Too frequently however the worker felt that "... he simply was not recognised to exist".

This must be contrasted in the Scaife study with the complacency of management, who ironically enough were quite satisfied with their communication arrangements as a general rule.

Finally, many workers in Scaife's study felt that they had a right to be more directly involved in day to day matters which in the past had been strictly reserved to management, and of course, again this paralleled the findings in the Murphy survey. Particularly the workers felt that it was their right to know the future plans and the present standing of the company. The basic reason here, one gathers, stems from job insecurity. The main requests were for information about the company's profits and how they were divided, with job security a close second. This has interesting implications for the joint consultative committees.

The deeper concept of the democratising of the job, with its related topic of job enlargement was probably raised first in the study "The Morale of the Dublin Busmen".¹⁴

This study was carried out by the Tavistock Institute of Human Relations, London and was sponsored jointly by C.I.E., the trade unions concerned and the Human Sciences Committee.

The original idea was not alone that a survey would be made in depth but that certain recommendations would be made to all parties. It was then expected that C.I.E. and the trade unions would work through the recommendations and having agreed a programme of change, both the survey (with its recommendations) and also the agreed changes would be published together. In the event, certain difficulties arose regarding the second phase, the working through of the recommendations, and eventually, after some delay the survey, with very helpful reflections and comments, was published alone.

Where a large public company is surveyed in this way, it seems indeed very appropriate that the recommendations should in fact be the subject of joint discussions, and the eventual publication should contain the result of these discussions as well as the result of the survey. This not alone avoids uninformed recriminations (which might make other firms reluctant to consent to such an exercise) but much more important, it would make the survey itself almost a catalyst in the promotion of change. The fact that we failed to achieve it in the case of the busmen report should not, I believe, deter us. If real changes are to occur in areas of such delicacy where insight and commitment on the part of management are absolutely essential, we must, I believe, take some care that such surveys as we promote should not appear to be a form of quasi-judicial inquiry, with the hostility which this would be very likely to provoke.

As things have turned out, I understand that quite a number of agreed changes have taken place quietly in C.I.E. as a result of the survey. However my object here is not to discuss the detail of the findings as

14. *The Morale of the Dublin Busmen* by H. Van Beinum: Tavistock Institute of Human Relations 1968.

they refer to C.I.E. but rather to deal with the more profound concepts of job democratisation which the report raised.

Briefly Tavistock saw work organisations as a socio-technical system. On the one hand therefore it must not be seen as a technical system alone, since this conveys the idea of a very mechanical attitude to the organisation of workers. On the other hand, it must not be seen as a social system alone since this will result in a concentration on benefits and social programmes unrelated to the job, and designed rather to placate the worker in a difficult situation. But if a workplace is designed in such a way that the social system reflects the needs of the technical system, then not only is the workplace more efficient, but there is a substantial improvement in morale. The object is to give to the worker personally an increase in control, action and involvement in his work. This is what Tavistock describes as democratising the workplace.

This thinking lay behind quite a number of the recommendations of the busmen report, and has implications not only for management but for trade unions as well, a point which is dealt with rather challengingly.

EXPERIMENTS IN OTHER COUNTRIES

Having outlined, then, such developments as have taken place here, I propose to turn very briefly to some developments abroad, and in order to maintain the thread of our discussion I shall move through the three topics, representation on boards, joint consultation committees and work democratisation, in the reverse order, taking work democratisation first, and consequently continuing the topics raised by the report on the Dublin busmen.

I was honoured to have been chairman, during its later stages, of the joint committee concerned with the sponsoring of the C.I.E. survey, and because of this, at the invitation of Tavistock I visited Norway to see the further developments which had taken place arising from the attitude surveys to which I referred earlier.

The Norwegian research team, you may remember, concluded that the key to the problem lay in democratising the relations on the job itself, rather than in superimposing elections, representatives, joint committees and the like, and this meant in turn giving workers substantial control, not necessarily at board level, but in their own actual work situation. While in certain jobs individuals may be helped by job enlargement (which probably requires as well additional training) however in the greater part of mechanised but non-automated industry, the task units are too big to be dealt with by a single individual. These can be handled only by groups of workers. A certain amount of practical work had been done in the field of partially autonomous work groups by Tavistock in mining and textiles. This idea of the partially autonomous work group was seen as the key, associated with job enlargement where this was possible. The Norwegian team then proceeded to apply to actual work situations certain principles derived from this kind of thinking. Dr.

Thorsrud's paper deals with these experiments at some length; but he makes it perfectly clear that this was not, and indeed could not be, a plan of campaign to get management and workers to adopt some ready-made blueprint. He goes on: "There was no such blueprint and in the nature of the case there could not be. There were only principles for the re-design of jobs, which, whatever their general validity, would have to be shown to be applicable in each and every technological setting."

In the Norwegian experiment the research team in conjunction with the employers and the trade unions, selected two areas, metalworking and paper pulp; and in the case of metalworking they selected the wire-drawing mill in the iron/steel works at Christiania Spigerverk in Oslo. I had therefore an opportunity of seeing the final stages of the experiment in Christiania Spigerverk, where a rather ingenious group system of working had been introduced on an experimental basis in a technological situation which at first sight appeared to be particularly intractable. There was not only a distinct improvement in morale but the team ran into a peculiar problem. Productivity increased to a level higher than anyone expected, and if the wiredrawing men were given fair payment for the production they achieved they would have been among the highest paid men in the plant, causing considerable wage tensions. The men offered that they be paid in time-off, but this also created a problem because the Employers Federation did not wish to be confronted with a 40-hour week too rapidly. I did not hear how they resolved the problem; if indeed they ever did. In any event it appears that these experiments had a considerable impact both on trade unions and employers. It is important to note too that one of the consequences of this is that much of work study procedures and individual incentive rates are very much open to question. If there is merit and validity in these conclusions of the Norwegians and Tavistock, then much of our work study will need re-orientation.

Dr. Thorsrud mentions six or seven criteria for jobs which would meet the psychological needs of men in the work place. There should be an optimum variety of tasks within the job; but there should be a meaningful pattern of tasks which gives the semblance of a single task. There should be an optimum length of work cycle; some scope for setting standards of quality and quantity of production with a suitable feedback; within the job there should be included some of the auxiliary and preparatory tasks; the tasks should include some degree of care, skill, knowledge or effort worthy of respect by the community, and finally the job should be seen to make a real contribution to the final product. A similar analysis is made by Dr. Van Beinum in the busmen report.

During my visit to Norway, I found one problem of considerable interest, that is the difficulty that all this threw up for the trade union movement. Inevitably such experiments created tensions on the shop floor because of the fact that at the outset they meant some radical changes in work practices. It was quite clear that there was considerable difficulty in maintaining a real democratic form of mutual communication

and identity between the trade union centre (the LO) on the one hand, and the shop floor on the other. It is for this reason that in our conclusions, I shall devote a certain part of the discussion to the problems which all this presents for trade unions as they are at present constituted.

You may remember that one of the criteria for job structuring mentioned by Dr. Thorsrud was that within the job there should be included some of the auxiliary and preparatory tasks. This introduces the idea of the boundary to a job or a job situation, and the concept of the management of the boundary in order on the one hand to give the partially autonomous work group within the boundary stable conditions within which to work, and secondly because a worker cannot and will not accept responsibility for matters outside his control. Indeed when a member of a work group (when a shop floor worker perhaps) expresses alarm and anger at his lack of control over the marketing policy of the firm for example, it is likely enough because management has not been able to create for him the stable work situation which is necessary for him; and indeed his bitter complaints about lack of information on the trading position of the firm may spring from the same anxiety. It is for this reason that I shall spend a moment or two discussing this idea of boundary management which as a theory of management has grown only in very recent years, particularly in the United States.

Most firms operate in an environment which substantially influences them. There are exceptions of course in such monopolies as actually dominate their environment, but the proposition is true of a great number of undertakings. The essential task of management then is to manage the boundary between the environment and the firm in such a way as to permit orderly progress within the firm. Top management in this situation transfers its interest from internal control to the administration of boundary conditions. The same proposition can be made in regard to departments within a firm. A production department will be influenced by the supply section on the one hand and the demands of the marketing department on the other. Indeed different sections within a production department may act on one another in a similar way. In these circumstances the supervisor must look to the management of such relationships, to the management of the boundary—the industrial marches as it were—rather than concern himself with the detail of internal control. If this boundary management is operated properly, then within that particular socio-technical system there will be opportunity for the development of substantial autonomy, the climate indeed that will foster the development of the partially autonomous work group, which is so essential to the idea of job democratisation. But if all these ideas mean a review and rethinking of work study and incentive systems, how much more profound will the impact be on management generally and particularly on supervisors and foremen.

I propose to turn now to a brief overview of some experiences abroad of joint consultative committees and similar systems of worker participation.

At the 35th session of the ILO in Geneva in 1952 a recommendation was adopted to the following effect: "Appropriate steps should be taken to promote consultation and co-operation between employers and workers at the level of the undertaking on matters of mutual concern not within the scope of collective bargaining machinery, or not normally dealt with by other machinery concerned with the determination of terms and conditions of employment". The recommendation goes on to suggest that in accordance with national custom and practice (a marvellous trade union saving clause) such consultation and co-operation should be either voluntary or promoted by law or a combination of both.

Despite its cautious international phraseology this nonetheless states the general view regarding the desirability of such committees. The first to attempt to follow this up in Ireland was the Irish National Productivity Committee who hoped through the establishment of national industrial productivity committees to promote the creating of such committees at plant and firm level. Although this campaign met with indifferent success, nevertheless some very useful work was done at the initial stages, not least the preparation of documentation on experiences abroad by the then consultant to the INPC, Mr. Adrian Vermuelen. His review of the whole international field, while not published generally is, I imagine, available from the INPC.¹⁵

This is a most useful statement of the general position regarding consultation in the early sixties, and contains a valuable bibliography for the student.

In addition to this, Mr. Murphy in the report to which I have earlier referred gives a very useful summary in his opening chapter. It is clear from this that Ireland both in concept and in practice lies rather far behind the majority of western European countries; which if one looks at the number of formal agreements and the number of explicit statutory provisions are indeed impressive. But there are difficulties in practice.

In his chapter on the effectiveness of joint consultation Mr. Murphy draws heavily on the Scandinavian evaluation, where "... the system of works councils based on collective agreements seems particularly well developed ...".¹⁶

The Scandinavian studies quoted by Mr. Murphy would seem to reveal the same sort of difficulties that are experienced here: the indifference among the workers, the remoteness from the rank and file, a feeling of estrangement between the workers and their representatives, and above all the fact that the committees seemed almost universally to have concentrated on welfare and safety measures, with a growing sense of the trivial in their work. Nevertheless we must not allow this to cloud the central conclusion that in these countries, despite such experiences,

15. Explanatory Note on the Monograph: Guiding Principles for Joint Consultation at Firm Level, I.N.P.C., Dublin.

16. International Labour Office: Labour Management Relations Series: No. 13: Geneva 1962.

both employers and trade unions remain convinced of the usefulness of the whole idea. Murphy takes the view that in western Europe generally such doubt as exists comes from the fact that, for some reason or other, the committees have not been able to deal with productivity issues, and similar areas of joint interest to management and workers, precisely the areas which were emphasised by Adrian Vermuelen in his early work concerning joint productivity committees.

I gain the impression, however, that the very sophisticated system in the Federal Republic of Germany, is worthy of special study. It derives from the Works Constitution Act, 1952, where a works council, composed of workers only, nominates to an economic committee, representing both workers and management. From conversations I have had with German trade unionists, I was struck as well by the distinction drawn between the functions of the trade union on the one hand and the works council on the other. One gets the impression of a highly articulated system, and Dr. Fogarty bears this out in the book to which I have already referred.

Finally I should like to turn to Britain, which in practice has a profound impact on our thinking here. There is I believe some sort of unspoken assumption—which if spoken would I am sure be hastily denied—that if something is not feasible in Britain, then there is little point in trying it here. It is important to bear this in mind, in our present discussion, since Britain has had an all too indifferent record in this whole field.

In the matter of joint consultation one can do little better than quote from Dr. Arthur Marsh writing in *New Society* in 1963¹⁷ which is also relied on by Mr. Murphy. It must be remembered that in the United Kingdom, procedures for joint consultation are compulsory in the public sector (Acts: Nationalised Industries 1946/48) and have been introduced into the private sector on a voluntary basis.¹⁸ Dr. Marsh in *New Society* stated quite bluntly that formal consultation was effectively dead on productivity questions. He goes on—and a phrase from this I have already quoted: “Joint consultation has mostly faded out as the Ministry of Labour has quite rightly implied, because managements have not been willing to give workers’ representatives important matters to discuss. The issues raised have tended to become increasingly trivial—tea, towels and toilets—and the faith of both sides in the possibility of handling anything more fundamental has declined.”

I think that we may note therefore that while procedures for joint consultation abroad are frequently more advanced and more sophisticated than they are here, nonetheless the same sort of difficulties are met with, the trivial nature of many of the matters discussed and the remoteness of the shop floor from their representatives on such committees.

Let us now come to our third topic, representation of workers on

17. *Joint Consultation Revived?* Arthur March: *New Society* for 16th June, 1966.

18. *Recommendation of National Joint Advisory Council* 1947.

boards of management of their companies. In dealing with this, I shall confine myself essentially to two countries, the Federal Republic of Germany and Yugoslavia, confident that in briefly looking at both we shall get a picture of the most advanced organisational thinking on the subject.

You may remember that Dr. Thorsrud and his colleagues reviewed experience in a number of European countries in evaluating the usefulness of worker representatives on boards of management, including Yugoslavia and West Germany, and found the result not encouraging. On the other hand, the E.S.B. committee of inquiry spoke of a very marked movement in this direction throughout European countries generally.

In order to get an insight into this apparent difficulty I shall turn first to the experience of the Federal Republic of Germany, and here I rely on Dr. Fogarty's excellent study to which I have already referred — "Company and Corporation — One Law?"

The position in Dr. Fogarty's words is briefly as follows: "... in Germany all companies without exception, whatever their directors' and managers' ability and attitudes, have a minority of employee-nominated directors on their supervisory boards, and in two industries, coal and steel, all companies above a moderate size have equal numbers of director from the employee and the shareholder side."¹⁹

We can then distinguish three interests, the shareholders, the workers and the executive or entrepreneurial management. We can distinguish three organs within a company, the shareholders' meeting, the executive or managerial board, and the supervisory board. The supervisory board appoints the executive, approves of the outline programme, and reviews performance. It meets perhaps every quarter, and the members, including the workers representatives, receive a reasonably substantial stipend.

The workers' representatives at one time were nominated by the works councils, but since the 1950's (apart from the coal and steel firms) all the workers in the company elect one-third of the members of the supervisory board.

A word here regarding the relationship between the three worker bodies might not be out of place. The works council is not subordinate to the union; indeed its independence is such that its chairman is sometimes known as the factory king.²⁰ But they are obliged to work closely with the unions and in practice the representatives on the works councils are prominent trade unionists. Equally where representatives are elected directly to the supervisory board, they are frequently members of the works council, the chairman of the council very probably being one.

But there have been sharp criticisms. "Where employee representatives are in a minority on boards, there has been no effective transfer of power to them from shareholders and management, nor will such a transfer be

19. Op. cit. p. 34.

20. Op. cit. p. 111.

allowed in the future".²¹ More than that, because of the generous fees paid to directors the directorship tends to become a rotatory fief²² given to deserving union officers.

Against such a background it is easy to appreciate the disquiet of the Norwegian study team. But Dr. Fogarty goes on to make a very basic distinction, and one which is central to the whole debate in West Germany. The distinction lies in the contrasting practice of the firms in the coal and steel industry, and the essential point here is that the worker representatives and the shareholders have an equal number on the supervisory board. This then is not merely worker representation but co-determination.

Briefly under the co-determination law of 1951, supervisory boards must normally consist of five shareholder representatives and five employee representatives, plus an agreed neutral member.²³ All employee representatives are not appointed from within the firm; two come from the works council, and three are appointed by the trade union centre, one of whom, however, must be unconnected with the firm, the trade union or the national confederation. Furthermore, the executive board must include a labour director whose appointment must be approved by a majority of the employee representatives on the supervisory board.

Here there is a real transfer of power, in contrast with the minority representation. And the consequences? "The results of this real transfer of power to employees on the boards of co-determined firms have been mixed, but on balance definitely favourable."²⁴ There has been a marked improvement in industrial relations, a greater sense of realism. Dr. Fogarty also remarks: "It seems probable that in one way or another, through either short or long term effects, co-determination deserves at least some of the credit for the German steel industry's achievement in increasing its productivity from 1950 to 1960 markedly faster — 45% against 37% — than in Britain. At the very least co-determination has not held the growth of productivity back."²⁵ Furthermore the Conference of German Lawyers in 1955 after a full investigation satisfied itself that there appeared to be nothing in co-determination which diminished the value of shares.²⁶

Co-determination does appear however to have contributed something to inflation, not so much by the payment of higher wages, but by leading the way in the provision of certain fringe benefits and consequently causing the firms to draw rather heavily on short term credit.

And what of the trade unions? Because of the interlocking nature of the various representative bodies, and because of their negotiating

21. *Op. cit.* p. 121.

22. *Op. cit.* p. 120.

23. *Op. cit.* p. 123.

24. *Op. cit.* p. 128.

25. *Op. cit.* p. 129.

26. *Op. cit.* p. 130.

strength they naturally dominate the workers' side. One may wonder if in fact a trade union official can properly act in these circumstances both in the interests of the board and in the interests of his members, but in practice there has not been a great deal of difficulty apparently, because only the executive board not the supervisory board engages in the business of negotiation, and secondly, because people by and large have little difficulty in filling a number of contrasting roles at the same time. Dr. Fogarty touches on this topic and I shall return to it in our conclusions.

Although the worker representatives have equal representation they are drawn from a number of sources, and this has had a beneficial effect. "Supervisory boards . . . though they might on the face of it be paralysed by conflicts between shareholder and employee blocs, in practice are not . . . The inclusion of outside as well as inside representatives of employees, with different viewpoints, provides a line of cleavage alternative to that between employees as a whole and shareholders, and one at least as often followed when a split vote occurs."²⁷ Furthermore, representatives coming from within the firm view it in quite a different manner from those worker representatives coming from outside.

The great problem for the trade unions is the provision of an adequate number of well-informed and skilled personnel to fulfil these tasks, and consequently they ask only that co-determination be extended to a small number of very large firms. The challenge to the worker representative is considerable. Dr. Fogarty refers to "... the magic of parity: that there is a difference of kind and not merely degree between minority representation for employees at board level and an equal balance between capital and labour."²⁸ The important point is that if we wish to consider a gradual introduction of the idea of co-determination, we must introduce the full apparatus in a small number of undertakings; there is little merit in the idea of proceeding from minority representation to co-determination since they are different in kind.

Let us now turn to our final example, the practice of worker management in Yugoslavia, or, as it has been put more gracefully, the Illyrian enterprise.

In a very vigorous reaction to bureaucratic contrality, which had been introduced after the war, Yugoslavia adopted in 1950 legislation the effect of which was to decentralise the management of industry, lodging it in the hands of the workers in the enterprise. Ownership however was not transferred to the collective (that is the body of workers in a firm); ownership remained in public hands and the collective had vested in it all rights of management. The consequence of this was that workers ceased to be wage earners and became in fact free producers, that is, members of autonomous working bodies, which in turn conferred on

27. Op. cit. p. 144.

28. Op. cit. p. 152.

them by right a share in management. It has also resulted in making the system of remuneration one of enormous complexity.

The second major consideration was that each enterprise was dominated by the market test; the greater the success of the undertaking the greater the shares available for distribution; and of course the contrary also applied. It is I think important to remember that this suited a small-men entrepreneurial society such as existed in Yugoslavia.

It is interesting to glance briefly at the structure of an enterprise, to form some picture of how this is achieved. For this purpose I have relied on an ILO publication "Workers' Management in Yugoslavia".²⁹

The collective, that is all the members of the firm, elect a workers' council, which in turn elect a board of management. The executive director who is an appointed official (in a manner which I shall describe in a moment) is charged with the direction of the whole enterprise, and there is an interlocking system of committees at various levels. So strong is the movement for decentralisation that attempts are being made, where conditions are suitable, to decentralise accounting and financial procedures so that councils at departmental level, at present fulfilling an advisory function, could be given actual powers of management.³⁰

However all this cannot be viewed in isolation; it is part of a much wider movement not only towards decentralisation but explicitly towards self-management. In a most comprehensive and perceptive study as yet unpublished on the economics of workers' management, Mr. Jan Vanek says: "It is important to note that the self-management principle is now universally applied in Yugoslavia, and that workers' councils or similar self-management bodies will be found also in work organisations outside the economic sector, be they hospitals, schools, courts of law, research institutes or cultural establishments. Their staff will not be wage or salary earners but members of a work collective sharing out the net income of their organisation or institution." Incidentally Mr. Vanek was associated with the earlier ILO study, and his recent work shows not only a growth of deeper insight but is an account of developments against the perspective of time.

A very basic point then is the relationship between the enterprise and the commune. The commune is the local unit of administration. Originally they were very large in number, but they have gradually grown in size of area and population, and their number has been substantially reduced. At present they would cover an area with a population of 40,000 or so. They are minor republics in their own right, and are explicitly protected against the intervention of the central administration in matters proper to themselves. Above them are districts, the various republics, and finally the federal republic. The commune, and indeed the higher bodies as well, are composed of two chambers, the people's

29. *Workers' Management in Yugoslavia: ILO: Studies and Reports; New Series. No. 64. Geneva '62.*

30. *Op. cit.* p. 81.

chamber, deriving from meetings of the electors in the commune, and the producers' council which derives from the collectives of the various undertakings within the commune. The large firm therefore plays a very considerable part indeed in the business of local administration. The arrangement however is reciprocal. I mentioned earlier the question of the appointment of a director to an enterprise. The appointment is by open competition, and the selection committee is a joint body from both the commune and the collective of the enterprise. More than that, the federal authority may in certain circumstances appoint one third of the members of the selection committee. This committee has the power merely to make a recommendation and the final appointment is made not by the collective of the enterprise, not even by the commune, but by the people's committee of the commune at a joint session with the producers' council. The position of the Executive director is indeed critical; and apart from his overriding obligation to the development of the firm there is a sense also in which he is regarded as the guardian of the public assets which are managed by the collective.

There are of course numerous problems in this system, and they are enumerated very succinctly by the ILO report to which I have already to referred.³¹ Some of them have a strange — even alien — ring such as primitivism, parallelism, anarchist tendencies, bureaucratisation, and particularism, springing no doubt from the tension caused by swinging Marxian economics into a new mould, but although this is so, there has been undeniable success. Mr. Vanek refers to the remarkable capacity to generate new assets, to the performance of the enterprise in the business context which is undoubtedly satisfactory and to the position of the worker, where he says: "Despite a mass of individual grievances, appalling as these may be in some instances, it is our considered view that in ordinary situations the Yugoslav workers are indeed treated as men and not as a commodity, and that, particularly in the younger generation, they are truly beginning to emancipate themselves, psychologically as well as materially from the subjections attaching to hired labour's employment relationship".

Here, however, is a very special society, one in which, in Mr. Vanek's words there was "... the absence of a feudal-industrial past, of the Protestant entrepreneurial motivation and the corresponding debasement of actual work and of the worker in social ethics and social practice." It was essentially a rural, freedom-seeking society, albeit profoundly influenced by Marx and the Paris Commune. Its particular solutions must therefore be examined with caution since they are very special to itself; nonetheless, some of its concepts are of the most profound significance, although in our society they might have to be given expression in somewhat different forms.

31. Op. cit. p. 176.

CONCLUSIONS

Let us try, then, in our conclusion to touch at least on a number of the more salient points. In the first place let us consider the nature of an industrial society—a firm—and consider too that deeper concept of job democratisation which to many people seems to stem from such a consideration.

In urging the basic idea of a socio-technical system, Tavistock has made a fundamental contribution, which has consequences not only in improved human relations but also in increased productivity. Yet it appears to me that while this is a useful corrective of previous thinking there is a great deal more to be said. I have developed this in another place.³² Either a socio-technical system is a technical system which embraces human beings and therefore some sociology (and this is the position of the industrial engineer) or it is a real society of men and women who exists in a technical environment and is conditioned by its technical environment, indeed absorbs the technical environment into itself but remains nonetheless a society. Both may be described as socio-technical systems, but there are many dangers in the first; not least the temptation to employ sociologists and psychologists to devise ways and means of making the worker happy in an essentially wrongly constructed system. In the event of a crisis subsequently—and it is difficult to see how one could avoid it—the apparent irresponsibility of the worker will be greater because its causes will not be understood by himself.

Of course there are numerous ways in which one can perceive a firm, and when one offers one view or another, it is not for the purpose of making a final statement of the whole of the matter but rather of attempting to provide a greater insight into certain aspects of it which in the past may have been played down, or perhaps entirely overlooked. To me, in any firm, we are dealing with a series of social systems, not merely one, interlocking, overlapping, merging, what you will. There are a series of systems on the shop floor, the system appropriate to a particular supervisor, the system of the department and so forth, until we see them all within the wider system of the firm as a whole. Beyond that we have the larger environment not only of the market but of the trade union and the employers' federation.

It is here we come to the great significance of the partially autonomous work group, where in practice workers are given substantial control over their own work environment, and which, while it must be worked out in a pragmatic way in each work situation, has very considerable potential in increased productivity. This means of course not only a radical change

32. *The Distasteful Challenge*: Charles McCarthy: Institute of Public Administration 1968.

in work study and incentive systems, as I have already mentioned, but places an obligation on management at all levels from the shop floor supervisor upwards to provide the conditions for productive work. In saying this, I feel I am supported by such people as Likert and Herzberg in their analysis of those qualities which characterise a good supervisor, one who promotes continuously high productivity in a stable work situation. Management then must look outwards rather than inwards, must stabilise the conditions of work for his group, by dominating the exogenous things which if they are allowed to intrude in a disorderly way can disrupt work and cause great anxiety. This in fact is the concept of management of the industrial marches — the boundaries within which the industrial group operates. Where this does not occur, not only is productivity lower but anxiety among workers is greater; and inevitably there will be attempts by them to try to control those exogenous matters which are the cause of the difficulty. Thus, there is pressure for information about production and marketing, and the current state of the firm. I do not for a moment suggest that this information should not be available to workers; but I am saying that this anxiety to secure it may well be a consequence of bad firm organisation and a lack of confidence in the stability of the job.

It is clear from what I have said of course that management is crucial here. I feel I cannot over-emphasise this point. Efforts by trade unions, urgings by Governments and the rest are of little consequence unless there is a real driving commitment by management for such an idea. It is not sufficient to offer general goodwill in an experimental way. If the commitment is not there, completely and vigorously, it is difficult to see how the thing would work. Inevitably in matters of this kind, one must depend to a great extent on workers accepting a dimension of responsibility at various levels to which they are quite unaccustomed. Initially one could well expect not only blundering and inefficiency compared to centralised management, but a marked reluctance, even hostility on behalf of a substantial number of the workers. This is why perceptive management is so essential, in order to distinguish between the normal tensions and blunderings and the danger signals which indicate a real organisational mistake on their own part.

Nor indeed will the trade unions be of much help here since in these practical matters they tend to reflect the very considerable conservatism of their own members. This brings us to our second major area of discussion, the role of formal consultative machinery, the joint consultative committee of Mr. Murphy's study. Let us consider first the sharp distinction which is drawn between negotiations on the one hand and consultation on the other. I am very much disposed to question the validity of this distinction. In the first place I believe we oversimplify if we see negotiations as a power clash. It is true that a trade union must exercise power in order to be taken seriously at the negotiating table, but once it is accepted with a degree of equality then the solution that emerges is by no means always an uneasy compromise between two power groups:

it is quite possible that it is seen by both parties as being in the best interests of the company. Even when it is a simple wage claim, it is rarely generated by the officials who negotiate; it is often an attempt to express certain wage expectations among the workers in such a way that they can be absorbed by the company in a reasonable manner.

Secondly it is also clear I think that the consultative committee must work within a trade union situation, even if special elections are held to determine who the representative would be. To do anything else would be to create a great deal of tension between the trade union and the worker members of the consultative committee, and would raise the suspicion in trade union circles that the management were perhaps attempting to circumvent the trade unions.

Thirdly, I am not satisfied that the subject of the committee discussions differs in kind from those dealt with in trade union negotiation. It seems to me to be often a question of scale, and the Murphy study would appear to bear this out to some extent. If the problem raised concerns the shop floor essentially, then the trade union official is happier to see it fixed there and then, even though in other circumstances it would be regarded as an appropriate matter for negotiation between trade union and management.

Let me pause here for a moment and consider one interesting remark by Scaife and Pierce in their study: ". . . in the factories visited" they say, "working conditions ranged from very good to very poor. What was striking was the inactivity of the union officials in the face of poor conditions. They appeared to accept the management defence that 'the business couldn't stand the cost of improvements' an argument which would not have been entertained in discussions concerning wage rates . . . trade union officials remote from the shop floor often do not appreciate how poor these facilities can be and so do nothing to improve them."³³ Dr. Scaife believes that here the shop steward has a most important role—to communicate this reality to the trade unions and that the trade unions must be seen to require him to do so.

Later, in the same study we are told: "From the writers' experience, senior trade union officials in Ireland are in closer contact with the shop floor than their counterparts in England. This is due to the smaller scale of industrial activity in Ireland which allows shorter lines of communication within the unions."³⁴ I think we can add to this however; it is clear on the one hand that if conditions of work are not being dealt with the trade union officials must indeed be remote from the shop floor. In addition it is clear that in many cases the senior trade union official is expected to deal with quite minor shop floor matters, both by his members and by his executive. I believe one of the greatest difficulties we face in this regard is the reluctance to delegate within trade unions.

33. *Op. cit.* p. 32.

34. *Op. cit.* p. 99.

Closely related to this is the problem of groups of unions within a particular firm who come together for negotiating purposes. Where one union represents by far the greater majority of workers it can work reasonably well. Where however, there are a number of unions of comparable size, the function of secretary to the group has to be performed by a member of the group — a senior official already deeply involved in his own union affairs. In these circumstances the business of remedying conditions of work is inhibited rather than promoted. The obvious solution is for the unions to delegate some real functions to the group including the employment of a secretary — even on a part-time basis — who would be responsible only to the group. But there is a marked reluctance to do this, principally because it would imply substantial delegation by the various union executives to the group itself.

At shop floor level, then, the joint consultative committee or the trade union representative committee must be close to the reality of the shop floor and must be in a position to do all those things immediately necessary to promote the welfare of the members at that level. If, as is frequently the case today, even minor shop floor matters are posted upwards, then since senior management is involved, so also will senior trade union officials. In fact unless there is introduced this deeper concept of delegation of work to partially autonomous groups, constructs such as joint consultative committees, will work only indifferently.

Let us finally consider, in this context of joint consultative committees, the anxiety expressed by many that the matters discussed frequently are too trivial. The fault here is management's; but the fault again may not lie merely in the subjects chosen for discussion. If management is confident and assured in handling the external environment, then broadly speaking the work group will be interested primarily in those matters which have a direct effect on its own work. If workers as well are capable of exercising control in their own work situation, information they receive which is important to the task will become very much more significant. Again, it seems clear that this difficulty also springs from an inadequate organisational structure. While the immediate answer to the charge of triviality in the subject matter of the committees is to devise a better agenda, nonetheless here too the real answer must lie in the more fundamental democratising of the work place.

Before taking up the question of worker representatives on boards of management, I wish to deal with one concept that is as important to what I have just said as it is to board representation, and in this way it forms a bridge as it were between the two topics. This is the concept of multiple role playing. "How", many will ask, "can a person be at one time worker representative and company director? How can he be both management to the worker and worker to the management?" The fact is of course that he can, and must. There is nothing surprising in this; we do it continuously in our daily lives; we are both fathers to our children and sons to our parents; we both serve those above us and direct those below. In fact, the quintessence of real communication lies

not in merely informing people of management thinking, for example, but in being management where it is appropriate, and being a worker's representative where it is appropriate. This is how bridges are built between the complex of systems in a firm of which I have already spoken. There are two limitations to its effective operation, however; one is the perceptiveness and insight of the person engaged in such multiple role-playing; the second is that the gap to be bridged must not be too great. The various systems must be close enough to one another to permit continuous interplay by such role-making; this means that one must build institutions which relate closely to one another as one moves upwards through the firm. Top management and top trade union officials dealing in the first instance with shop floor matters will experience a gap of considerable size, which in spite of their perceptiveness they will find almost impossible to overcome. Naturally these institutional arrangements must be flexible and various; they should respond to the situation as it actually exists, given only that no unbridgable gaps are thrown up.

Let us turn finally then to workers' representatives on boards of companies. It seems to me in any event, that a minority of worker representatives on company boards is neither here nor there; and that indeed the real debate should be on whether there is a case not for worker representation but for co-determination, that is to say, an equal number of worker representatives and shareholders. I for one do not fear that the trade union representatives would confuse their roles, and involve themselves in a negotiation conflict with management. We must not forget that trade unions themselves are enormously complex organisations, where the trade union leaders are not only democratic leaders but employees as well; and if they are senior officials in the larger unions, they are also substantial employers. They would not be unaware of the complexities of a situation such as this.

Nor can we move from worker representation to co-determination. I go with Dr. Fogarty in thinking that if the experiment is to take place, it must be an experiment in full co-operation, even though the number of instances would be very small.

I believe furthermore, that such a development would be fruitful only if it was seen as a consequence of the other organisational changes which I have mentioned, that it must be another aspect of work democratisation, not something standing isolated and therefore essentially irrelevant.

I am satisfied that the effect in these circumstances would be substantial both in producing far better industrial relations and higher productivity as well. There is furthermore no reason to believe that the shareholders would be diminished, if we are to judge from German experience.

There is another consideration. Galbraith³⁵ has drawn attention to the

35. *The New Industrial State*: J. K. Galbraith: originally published 1967; Pelican books 1969.

reality of American enterprise, where the power lies with what he describes as the technostructure, not with capital—not in other words with the shareholder; firstly because he is not the source of new capital; the firm generates it itself; and secondly because shareholders are numerous and remote. Galbraith takes comfort in the fact that very large firms in the United States pursue security essentially, and socially approved goals (an approval of course which they themselves have influenced) but while this may be so within the United States it is difficult to see how the same constraints would apply to such firms in their multinational activities. It is salutary to remember that in 1968, General Motors had a gross income eight times the size of our gross national product, and in the same year even the Volkswagen group had a gross income marginally higher than our GNP.

It is difficult to see how shareholders, sometimes dispersed and individually perhaps not very effective, can themselves give direction to vigorous entrepreneurial activity; and it is even more difficult to see how a powerful takeover bid by a multinational undertaking could be resisted. Co-determination in these circumstances could add another powerful voice in support of responsible management.

But even in the area of co-determination I believe the community must have a voice, not perhaps in the manner in which it exists in Yugoslavia, but a voice nonetheless. Some years ago the then Federation of Irish Industry did an investigation into instances where the local authority, by not providing services, were seriously inhibiting industrial growth, and even worse. Only too frequently of course these decisions were being made by a department of state in Dublin, not by the local authority at all; but it was nonetheless remarkable that industrialists did not themselves become members of the local authority of their areas; and in a small community we had a Gilbertian problem of communication between the people responsible for the industrial welfare of the town and those responsible for the community as a whole.

There is nothing whatever wrong in giving the community a substantial involvement in those industries which are essential to its well being. It is indeed the traditional way of looking at things, and need not affect enterprise or initiative. When for example we speak of the medieval guilds we think of craftsmen, but indeed the first guild was a merchant guild, which confined trading in a substantial number of commodities to the members of the guild. Furthermore so closely intertwined was the guild with the city authorities that its laws had general effect. In Dublin for example “. . . the Masters, Wardens and Brethern of the Trinity Guild asserted a right to make ordinances not only ‘for the rulle and gowernaunce of the sayde yelde and fraternytie of the same’ but also ‘of all othir the inhabytaunts and fremen of the sayde syttye.’ A great number of the Guild laws did, in fact, affect the general body of freemen and inhabitants.”³⁶

36. *The Guilds of Dublin*: by John J. Webb; Ernest Benn Limited, London 1929.

I quote this to show that the sacred right of business to act in a manner so selfinterested that community concerns are irrelevant to it, is really an invention of reasonably recent times, and that Yugoslavia may well be far closer to the traditional views of Christendom than our rather predatory western world.

I have only one final point to make. I cannot see any of this come about without leadership, and leadership of insight and determination. It must be a leadership not only among management and trade unions but in Government as well. All that I have said could be regarded as suggestions which able leaders might take up; none of it can substitute for leadership. And this is why the way ahead is so dark; because for some reason which I confess quite escapes me, I see very little of that leadership in our community at present, and a great deal is pointless without it.

DISCUSSION

Mr. D. J. McAuley: It gives me great pleasure to propose a vote of thanks to Mr. McCarthy for preparing and presenting such a comprehensive paper on the subject of "Workers' Participation in Management". I am sure I will be expressing the opinion of everybody present when I say that Mr. McCarthy has improved our knowledge and understanding of the reasons why industrial democracy has featured so prominently in public debate in recent years.

Mr. McCarthy has brought us up to date on recent developments in Ireland. He has surveyed a number of interesting developments in other countries, notably Germany, Norway and Yugoslavia and has given us his personal views on the steps which might be taken in this country to improve human relations in industry by securing greater participation by employees in the undertakings in which they work.

Among other things, Mr. McCarthy has suggested that employees be given more control over their immediate work environment. He has advocated giving employees more information about factors which affect their security and welfare. He has expressed the opinion that things would be better if employees were consulted more fully and more frequently about matters which are important to the undertaking as a whole. Finally, he has argued that representation by employees on policy making bodies within the undertaking is not sufficient and that co-determination must be the ultimate goal.

The pragmatic approach by Mr. McCarthy to the subject is one of the outstanding features of the presentation. Only when he discusses the question of employee representation on company boards do I detect a move towards an ideological viewpoint. As this is probably the most emotive aspect of industrial democracy and as Mr. McCarthy is a well-known trade union representative I could not fault him for expressing his obviously deeply-held convictions. Personally, however, I am unconvinced that it is as easy as Mr. McCarthy suggests for ordinary mortals

to wear two hats at the same time, and that really is what he is suggesting when he speaks of co-determination in industry. Furthermore, I think it is important to try to ascertain what employees who might be elected or appointed to a board of directors would feel about it. Giving a person a job of work to do which does not avail of his full capabilities frequently leads to dissatisfaction and unrest. Similarly, imposing responsibilities upon a person who may be ill-equipped to carry them leads to unhappiness through undue strain and effort.

Regarding the situation in Germany, I would like to mention the report issued in February by a Government-appointed committee of experts to look into co-determination in that country. The report agrees in principle with an extension of worker participation in decision-making but does not favour the kind of co-determination operating in the coal mining and iron and steel industries as mentioned by Mr. McCarthy. It proposes that participation should be through the supervisory boards rather than through the management boards of companies. Furthermore, the report recommends that the shareholder representatives on the supervisory board should have the power of majority decision. The view is expressed that shareholders must have the final responsibility since they will be guided by the criterion of profitability without neglecting the ultimate interests of employees. In brief, the report recommends that a supervisory board consisting of 12 members should have six members elected by the shareholders, 4 elected directly by the employees and 2 co-opted on the nomination of the supervisory board and the management. Before we try to apply these recommendations to Irish circumstances we should recall (a) the two-tier Board system that operates in Germany and (b) that the proposals are advanced in respect of joint stock companies employing at least 1,000 or 2,000 employees and as we know there are not very many of that size in Ireland.

I must confess to being rather surprised when reading Mr. McCarthy's contribution to the absence of any mention of financial participation. It seems to be a rather natural concomitant to participation in policy-making. To exercise responsibility and at the same time opt out of the results whether they be favourable or disadvantageous seems illogical. This of course is the real kernel of the problem as far as trade unions are concerned. Collective bargaining and the principle of the rate for the job are rather meaningless in the context of equal participation by management, shareholders and employees. In this kind of framework the arguments about the division of the spoils would have to take place in a purely internal setting.

Finally, I would not like to be associated with the proposition that joint consultation in general is a rather pointless performance merely because in some instances the scope of discussion is never far removed from the trivial. I have known instances where the introduction of joint consultation procedures has had a very beneficial effect on industrial relations. I agree that the form which joint consultation takes is very important and that because of the small size of most Irish firms a case

can be made for integrating into a single channel both consultation and the issues which frequently comprise the subject matter of collective bargaining. In practice, as Mr. McCarthy indicates, the consultation procedures are very often the first stage of grievance and disputes handling procedures. It is very rarely the case of never the twain shall meet.

These remarks of mine might possibly be regarded as in some way indicating fundamental disagreement with Mr. McCarthy's point of view. That, however, is not so. My basic reservation concerns the issue of co-determination and on this I feel the system here should be one of evolution rather than revolution and that there are, despite what Mr. McCarthy says, a number of stages of development between joint consultation and full co-determination.

Might I conclude by again thanking Mr. McCarthy for his comprehensive, provocative and wide-ranging paper on a subject which, I am sure, we will hear a lot more about.

Prof. M. P. Fogarty: I join Mr. McAuley in congratulating Mr. McCarthy on the quality of his paper. His subject happens to be the loudest buzzing bee in my bonnet, and I welcomed his re-opening of the debate on it.

I am also glad that Mr. McAuley referred to the very important Biedenkopf report, the most impartial and authoritative as well as the most up-to-date account of German experience of co-determination. May I change his emphasis in one point? The Biedenkopf report rejects as he said parity between employee and shareholder representatives on the supervisory board, but it also rejects the idea of a majority for the shareholders. The proposal is that on a board typically of twelve members, six shareholder representatives should be matched by four representatives appointed solely by employees plus two who must have the approval of both sides.

I would like for my own account to draw the meeting's attention to two further possibilities. One is the Dutch model, which is distinct from the German. The German supervisory board began as a shareholders' watchdog, and has always been recognised as a body of representatives, whether of shareholders alone or of shareholders and employees. The Dutch also have supervisory boards, hitherto voluntary, but in future compulsory for public companies. But Dutch employers have strongly resisted the concept of a supervisory board as a place where representatives meet and engage in the sort of negotiation which goes on in a German board. For the Dutch, a supervisory like an executive board should be a team selected to play as such, and with the function of elder statesmen rather than of negotiators. Employers, unions, and the government in Holland have now agreed that the way to reconcile this concept of the board with co-determination by employees is to provide that supervisory board members shall be co-opted by existing members of the

supervisory board, but that no one may be co-opted unless he has the approval of employees as well as of shareholders.

I also wonder sometimes whether the secret of the Yugoslav model may not be as much as the accounting system as the system of workers' councils and so forth. In a Yugoslav commune as in an Israeli kibbutz, accounting is on a national income rather than a profit and loss basis. The focus is on the global sum to be divided rather than on the margin which goes to owners. As Dr. Vanek has shown for the Yugoslav case, in the sort of atmosphere which this kind of accounting creates a very wide variety of social as well as economic objectives come to be considered in a balanced style far more difficult to achieve where the exclusive emphasis is on the profit and loss margin. The atmosphere, as one kibbutz leader put it to me, becomes more like that of a family than of a firm, and kibbutz or commune members can and do very genuinely feel that they are not merely employees — cost items in the firm's accounts — but members of the family. In this country Mr. Pakenham-Walsh, without diving headlong into enthusiasm for the commune or the kibbutz, is considering how the accountancy of the normal firm as we know it might be switched to a national income and net value added basis, with just this sort of change in the social atmosphere of the firm in view.

As Mr. McCarthy has referred several times to the Report of the Committee on Industrial Relations in the E.S.B., I ought perhaps to say my own word about it. If Mr. McCarthy had worked from the final rather than the interim report, I think he would have found the philosophy expressed even closer to his own. For myself I would sum up that philosophy under four heads.

The first is that what matters is not so much any particular item in a pattern of participation as the network as a whole. This was one of the clearest lessons to come out of the German experience. When German workers' attitudes to *Mitbestimmung* are examined in opinion polls, it quickly becomes clear that the ordinary worker does not see the subtle distinctions between negotiation and co-operation or between the role of the union and the works council which are written into German law, nor does he waste a great deal of time in analysing the relative merits of representation through his shop steward, his works council, or on the board. What the concept of *Mitbestimmung* conveys to him is a total pattern of representation, covering all aspects of negotiation and consultation, and made up of a number of parts some of which he knows better than others, but all of which contribute to the whole. Obviously he will know more about his shop steward or his works council representative than about what goes on on the board, but this does not mean that he thinks board representation of no importance. On the contrary: where board representation is real and powerful, German workers have shown when the occasion has arisen that they are prepared to down tools as one man to see that it is maintained.

Secondly, however, participation is pointless unless there is real power

in it. It has been documented again and again for different countries that, as Mr. McCarthy has pointed out for Germany, the solid common sense of the ordinary worker quickly sees through the sort of participation which is merely a facade.

Thirdly, an important element in power is coherence. This was a major point in the E.S.B. enquiry. When we went round the district and power stations and asked how things actually looked at the level of the ordinary man on the job, we found representation and participation in the E.S.B. to be a plain mess. Communications might or might not flow through the often rickety channels of two or three dozen separate where not competing unions. Local managers might or might not have developed their own personal style and set of structures for participation by the members of their particular work groups. At works or office level you would find the isolated representatives of individual unions, inadequately backed and serviced, going in to negotiate independently on local issues which ought to have been the joint concern of all unions on the spot, if only anyone had thought of bringing them together. A central point of our recommendations was to bring order into this chaos by setting up a single study channel of representation, with only three steps — works council, national advisory council or union group, board membership — from working level to the board, properly equipped and serviced at each level. This was not to be apart from, still less in opposition to, the unions, for no system of employee representation can in the long run be effective unless it treats the union as for most employees the primary agent of representation. It was to be a piece of machinery round which the unions could focus their work in a far more powerful and coherent way than at present, and of which, as happens three-quarters of a century ago with German works councils, they would normally expect to take control.

And that leads to my fourth point, one on which I agree particularly forcibly with Mr. McCarthy. The initiative in developing powerful and coherent systems of representation must lie with management. I say that with regret, for in a matter like this it would be only right for a major part of the initiative to come from the unions. The blunt fact is that in Ireland they are not capable of it. One of the most depressing lessons of the E.S.B. experience was that when we dropped our recommendations in the midst of the industry, management picked up the ball and ran with it while the unions for the reason which Mr. McCarthy has explained did damn all. I do not deny that in individual firms unions may be capable of taking the initiative. I look with particular hope to the I.T.G.W.U., which may well be putting itself in a position, with its relatively good staffing and its new development division, where it can take initiatives more generally. The government too may have a role to play: the German example of how a statutory system of representation can bring strength and coherence to the voluntary work of unions and managements is worth pondering. But I agree for Ireland with the paradoxical lesson so often and forcibly stated in recent years for Britain by

industrial relations specialists such as Allan Flanders, that if workers are to have effective representation a first step towards achieving it is to insist that managers must manage.

Christopher P. Martin: Mr. McCarthy's paper has brought a stage further the researches of people like Wilfred Brown and Elliott Jaques of the Glacier Metal Co. and he is to be congratulated on the high standard of his paper.

What we are concerned about here is a problem of management affecting people in every work situation and one that deserves closer study and experimentation. The objective is to improve the quality of the work situation by involving workers at every level in the overall management of the undertaking. This necessarily involves devolution of power.

Mr. McCarthy referred to the role of the Supervisory Board in Germany. While I do not think that there is any single solution to the problem or that a solution in any particular case can be anything more than part of a development process in what is a constantly changing environment, the adoption of that type of management organisation here would carry with it the recommendation that it has succeeded in the last 20 years in helping to make West Germany one of the most prosperous economies in the world to-day. The recent proposals of the Dutch Verduyn Committee, mentioned by Dr. Fogarty, brings the idea of equal representation of shareholders and workers a stage further.

I do not know why the proposals of the Fogarty Committee on Industrial Relations in the Electricity Supply Board for the adoption of the German-type structure consisting of a Supervisory Board and an Executive Board were not adopted. In my view the proposals are worth more than passing consideration and suggest that a smaller undertaking might offer a better opportunity for this development.

While one sees many organisations that are in need of some surgery, a new State company such as, for example, the proposed Irish Airports' Authority, legislation for the setting up of which is now being prepared, would offer a better prospect of success. Experience here has shown that a new departure of this kind requires the sponsorship of a State Company which would provide the necessary legislative support comparable to that under German Company law.

In thanking Mr. McCarthy for his excellent thought-provoking paper I hope that the response to it in the Departments of Finance, Transport and Power and Industry and Commerce results in appropriate action.

Dr. Geary: I came here with views on Mr. McCarthy's problem the more positive as based on very imperfect information. Perhaps the best compliment I can pay the paper (and the discussion which has been worthy of it) is to state that I am now much less sure about the correctness of these views. The paper is informative, well argued, balanced and most timely. But I have not been shaken on what follows.

In a number of papers (academic in treatment and therefore unread) during the past few years I have recognised that involvement of workpeople in the interests of the firm as a major policy objective. Frankness with employees on the part of management is essential, as to lessons from the past, the present situation, and future prospects. One instrument would be a statistical statement of added value, simple and therefore easily understood by all. This statement would classify added value into its main constituents (1) taxation, (2) allocation to reserve, (3) employee compensation and (4) distributed profit. Of course there would not be initial agreement as to allocations amongst (2), (3) and (4). But, the statement being accepted as true, extravagant claims would be ruled out and agreement brought nearer.

I have also characterized as absurd the notion that, within the firm, there should be "two sides", when the interest of workpeople and shareholders are identical. Of course the existence of these precious two sides is an unfortunate fact of life, fostered by unions and managements, whereby workers are treated as a commodity like any other, a cost of production. One effect is that, within any industry, workpeople of a given grade tend to be paid the same, while, as T. P. Linehan has shown, added value per employee can range as 4 : 1. The rewards of workpeople, like those of shareholders, should be greater in prosperous than in poor firms. Union policy ordains otherwise.

At present the two sides are basically antagonistic. To improve this situation confidence must be created. Distrust, the bitter legacy of generations, must be dispelled. Unfortunately, but unrealistically, this will take years to accomplish.

Mr. J. Raven (Communicated after meeting): While not wishing to disagree with very much of what Mr. McCarthy has said in his most interesting paper I would like to say one or two things about it, because I do see the issues he has raised from a rather different viewpoint.

The important component which I would like to make explicit has already been hinted at by Mr. McCarthy. It is that, no matter how good the organisational structures, organisations are administered by people. These people have their own values, interests, and attitudes, and they can, if they so desire, make poor institutions work well or sabotage good organisational structures. In short peoples behaviour is determined in part by their internal motivations, that is what they will choose to do spontaneously when not under pressure from the external environment, i.e. by their values and attitudes, and partly by external pressures that are brought to bear upon them. If we wish to predict what will happen in an organisation we have to consider not only what sort of people occupy positions in a structure, but also the fact that organisations themselves have a structure much more complex than that described by the formal organisation chart. It is, however, only the attitude-value section that I wish to take up just now.

There are three areas which I would like to mention briefly. Mr.

McCarthy and, I think, all the other speakers have hinted at them in passing. One set of problems which I will try to make some sense of are those connected with the fractionation of unions, and the unwillingness of superiors to delegate responsibility. Another set of problems is concerned with difficulties encountered in encouraging people to *take* responsibility. And a third set of problems is concerned with social leadership, that is pushing ideas such as Mr. McCarthy has put forward, so that they become incorporated in the established institutions of society.

In order to make sense of the first set of problems, that is, problems associated with fractionation of unions and problems of delegation of responsibility, it is necessary to introduce the concept of concern with *power*. People who are concerned with power tend to do two things. Firstly they tend to hang on to such power as they already have. On the other hand they insist that the way to deal with people who make mistakes, and do not do things "properly" is, not to go and see the person in question and talk to him, but to invoke an even more powerful authority in order to *make* him "behave". Concern with power is associated with inability to trust others to make responsible decisions on their own, and with a tendency to believe that human nature is essentially bad, that individuals have to be forced to be good.

My impression is that levels of concern with power are relatively high throughout Ireland. The effects are to be seen in the operation of individual families, in within-organisation operation, in the relationship's between government departments, in the cavalier fashion with which local authorities are treated by central government, and in the relationship between Ireland and other countries and multi-national industrial concerns. Problems are seen as being problems of *control*, rather than problems of making the best use of the available resources. Other people are, probably quite rightly, seen as being concerned with consolidating their own power, rather than as people trying to do their best for the good of the community. As a result other people are not trusted to try to do what is for the good of all. Responsibility and authority cannot be delegated to others secure in the knowledge that, although there will be mistakes, these will be accidentally incurred by people who are genuinely trying to do their best.

It does not seem to me that the provision of any type of structure will automatically lead to an improvement in functioning unless other steps can be taken to ensure that there is a change of heart on the part of the people involved. I should hastily add, however, that provision of an opportunity is one of the ways of inducing a change of heart. And this brings me to the next topic which I would like to discuss, that is education to *take* responsibility.

Mr. McCarthy has for several years strongly advocated rapid and immediate delegation of responsibility as a means of getting people to look outwards and to practice exercising responsibility. Although, for reasons I have just outlined, I feel that it is unlikely that this would work, I have a great deal of sympathy for what he says. The fact is that

in virtually all peasant societies decisions have always been made outside. People in those societies have little opportunity to practice decision-making, and, in particular, to practice co-operative decision-making between people who have somewhat different values. Furthermore people in these societies learn to be hostile to, and suspicious of, decisions made outside; these usually work to their disadvantage, and they are aware of it. But the important point is that they have not had an opportunity to practice the skills of listening to others, realizing that they have goals different from ones own but that it is still possible to work with them, take what they say into account, and reach a good decision under the circumstances. Not only do they fail to develop the necessary social skills they also become excessively inward looking — a characteristic which Mr. McCarthy has commented on, and which Dr. Dillon-Malone documented for industry in an earlier paper to the society. People living in such communities do not seek to control what happens in their own community by looking outward to what is going on elsewhere in the world; instead they tend to become very parochial in their outlook. I may now add an observation which has not been emphasised by previous authors. This is that it seems to me that the system becomes self-perpetuating. Since people living in these communities have no opportunity to practice these skills of working with others, listening to what they have to say, realising that other viewpoints may be just as valid as ones own, and so on, people fail to recognise that these skills are important. As a result they fail to build them into their educational structures. One thing which struck me most forcibly in the educational work we have been carrying out at the ESRI, has been the relative dearth of extra curricular activities in schools in Ireland.

While many teachers in other countries do regard these activities simply as opportunities for the children to enjoy themselves or learn more about their specialist subjects, other teachers take them very seriously as a means of encouraging pupils to develop the social skills necessary to work in committees, and to make contacts wide outside the extremely localised activities of schools. It therefore seems to me that if Mr. McCarthy is interested in developing these skills so that people will behave reasonably and responsibly when confronted with the organisational structures he is proposing, it would pay him hands down to make use of his position in the educational world to take active steps to change the structure of school environments. That is it would pay him to provide many more opportunities for pupils to practice taking responsibility, working with others, and making contact with the world outside school ! Similar work with adults through adult education programmes should prove even more rewarding, particularly if the programmes are explicitly designed with these objectives in view, although, perhaps, having a different manifest function (e.g. to entertain the adults concerned).

Turning finally to the issue of leadership in introducing changes in organisational structures, I would first mention that it has been found

in connection with the adoption of very many innovations that the person who discovers it has to become some over-identified with the idea, and adopt it more or less as a "craze", if the idea is to be adopted. Organisations simply do not adopt new ideas simply because it is a logical thing to do so. If Mr. McCarthy wishes to see these ideas adopted it would therefore seem that he himself will have to take rather an extreme position on this matter and allow it to obliterate practically everything else from his life. I doubt if it would be correct to describe this as "leadership". However it is necessary that attitudes change widely in a society before an idea such as this is adopted. And someone has to lead the way in practice. Ideas are adopted because people see them working in the organisations of others. Furthermore the organisation in which they see the innovation working has to be in many respects similar to their own or else they discount it as inapplicable to their own situation. It is therefore, important that Mr. McCarthy gets this experiment running in some organisations and take steps to evaluate it carefully.

There are a few more hints in the literature concerning how he should go about this. One thing that has cropped up repeatedly is that small firms, which are often the ones that most need to change and would benefit most if they did, are normally the ones who can least afford to do so; for them a mistake would be disastrous. Furthermore if the idea is any good only those who start to put it into practice fairly early reap any economic benefits. The remainder of the population is pushed along by economic forces such that if they did not change they would be out of business.

I cannot resist concluding by saying one or two things about democratisation of the work place. As I have already mentioned people vary enormously in their internal motivations to work. That is they vary a great deal in the satisfactions they hope to obtain from working. Furthermore the tasks to be executed also vary a great deal. Typically work environments pay very little attention to the possibilities which are opened up by analysing these two sets of variables. Work environments pay even less attention to the external pressures which can be brought to bear to encourage any particular individual performing any particular task to function more effectively.

Democratisation both of the work place and of the board room seems to me to offer a great deal of scope for thinking about the tasks we are asking people to undertake, the variables in the external environment which will encourage them to perform that task effectively, and the types of people we wish to recruit into the jobs and the training we wish to give them. It seems to me just as inappropriate to recruit a workers representative to a board of management, and provide him with a fee, without (a) telling him that his task is to spot the need for social innovations in the firm and to convince other board members that this is necessary and desirable, and (b) giving him the authority to set up a sub-organisation within the firm to achieve these goals, as it is to delegate responsibility to a worker without at the same time giving him the neces-

sary authority to organise his work in the way that is necessary and take necessary decisions himself. It also seems to me that, in both cases, it is necessary for other members of the organisation to provide support for the individual's activities (rather than placing difficulties in their way and providing pessimistic negatively toned emotional comment), to recognise what he has done (rather than what he has *not* done), and to provide a climate of enthusiasm, personal evidence of an emphasis on high standards of performance, and dedication to the goals of the organisation. If this is not done and the workers representative (or worker) is simply surrounded by other board (or company) members who are interested solely in making a profit, getting home for their lunch, and retaining control, how can we expect our workers to want to discuss anything other than pay, tea, towels, and toilets?