Chapter 5
Worker Involvement, Worker Participation and the Role of the Workers of Influence

Introduction

Worker involvement and participation are important characteristics of the NWM strategies, which includes TQM and lean manufacturing as employed at MML (Dawson 1994b: 103; Storey 1994: 5). Firms, it is suggested, want increased worker involvement and participation programs because evidence suggests that this leads to increased profit through improved efficiency and organisational performance (Levine and Tyson 1990; Dolan 1991;). The so-called high involvement management (HIM) strategies that characterise NWM are expected to lead to improved organisational profitability by,

> … changing employee attitudes, overcoming resistance to change and increasing commitment. Moreover, there will be the experience of mutual advantage. Management will benefit from improved performance and, for instance, reduced levels of turnover and absenteeism. Employees will enjoy more secure employment, upgraded tasks, a large degree of workplace autonomy and incentives to take responsibility for a quality product. (Gollan and Davis 1999: 89-90).

In addition, the enterprise's interests can be expected to include greater flexibility in the deployment of labour, better use of facilities and improved quality (Jürgens 1993a: 44). Increased profit may be an important motivator for firms to seek

increases in worker participation and involvement, but the MML research suggests that it is not the only one. Rather, there was perceived value in the 'means to' increased profit through worker participation and involvement described by Gollan and Davis above, that was manifest in improvements in the physical, as well as in the socio-political environment of the workplace. Some of these changes could be valued in monetary terms, some were less tangible but nonetheless understood as important by the players in the company as discussed in this section.

No matter how much management desires or demands that workers be involved or participate, this will not happen if workers choose not to 'play the game'. Ultimately people decide themselves if they want to participate or not. In fact, as Macbeath identifies, people have a 'democratic right to apathy' (Macbeath 1975: 152). Many people at MML chose this option, leaving the worker participation and 'evangelical work' to the workers of influence. However, the fact that many people choose not to participate themselves, does not imply that they do not want, or are not interested in participation (Macbeath 1975: 152). On the contrary, as Jensen observes, 'people are generally motivated to participate in change processes affecting their work' (Jensen 1997: 1083), although they may leave the participatory actions to others; those identified as workers of influence in this research.

In examining the role of workers of influence at MML it became apparent that, as lost leaders in the organisation, their influence was felt through the avenues of involvement and participation in the processes of organisational change. As has been discussed, prior to the Workplace Change Program and the adoption of the Change Project, opportunities for workers to be involved in and participate in organisational change were limited. With the adoption of the Change Project and the establishment of the Consultative Committee came new opportunities for workers of influence, as leaders and change agents, to participate in management decision making. The introduction of lean production meant that there were new avenues for workers throughout the organisation to be involved in process changes.

The terms *involvement* and *participation* are given specific meaning in this thesis in order to discriminate between levels of the extent and impact of worker input to the organisation. This chapter examines and differentiates between the involvement by workers generally in process changes throughout the plant under the auspices of lean manufacturing and the participation by workers of influence, as leaders and change agents, in management decision-making. It considers the boundaries of their operation and the factors that shaped them and examines the changing role of the workers of influence in the processes of worker participation and involvement over time.

Involvement versus participation

Two levels of worker involvement were observed at MML and there is a need to differentiate between them for clarity of meaning. For the purposes of this analysis the terms *involvement* and *participation* are distinguished. However, it is noted that elsewhere these terms are sometimes used as synonyms, or at least differently from the manner in which they are used here. For example, Kanter uses the term 'participation' to be equivalent to 'teamwork' and 'participative management' to be equivalent to 'team building' (Kanter 1983: 410), while 'involvement' is used in her analysis as a means to participation. Others, such as McLagan and Nel (1995), Pounsford (1991) and Mason (1991) use the terms involvement and participation interchangeably. Kaufman and Kleiner (1993) use the terms 'employee representation' and 'industrial democracy' to describe what has been called 'participation' in this thesis, that is, opportunities for workers to 'have an explicit [collective] voice in the governance and operation of the workplace' (Kaufman and Kleiner 1993: 1). In the Australian context, during a period when the Commonwealth Government considered employee participation desirable, employee participation was given a wide definition and was regarded as,

> … work structures and relationships within an enterprise … which embraces information sharing, work reorganisation, joint consultation, joint decision-making and self-management. It involves the provision of opportunities for individual employees to influence decisions concerning their work and their work environment (Department of Productivity 1978: 5).

On the other hand, Verma and Cutcher-Gershenfeld (1993) contrast 'joint governance', where worker representatives and management engage in decision making with equal voices and equal power, with 'employee involvement', where workers engage in process improvement programs, with no access to decision making.

In this thesis, *worker involvement* is defined as the influence of workers over changes in production and operational processes that occurred in their local, departmental area. It was manifest, for example, in worker input to the development of SOPs and involvement in the various production process improvement groups such as kaizen groups, QCs and continuous improvement groups. Involvement in these activities was available to all workers and indeed with the introduction of lean manufacturing, was expected to include all workers. These groups were able to make changes in local production arrangements, which could have quite far-reaching effects, but they operated within specific rules and could not be described as influencing management 'decision-making'.

Worker participation, in this thesis, refers to the influence that workers had on decision-making at management level. Representative workers of influence achieved this through their work on the various management-employee committees. Advocate workers of influence used formal, individual meetings with management to influence their thinking. Informal workers of influence had input to management thinking in informal arenas such as articles in the newsletter and informal discussion where they exchanged information with management. Participation required that management share information about the operation of the plant, the marketplace and the needs of customers and suppliers. Participation was open to a select group of workers, identified in this thesis as the workers of influence. Worker participation, as used in this thesis, is defined as 'a situation in which workers have obtained or been given the right to take part in managerial decision-making' (Anton 1980: 14). In this research, it included management seeking worker input to decision-making and workers offering input to managers for consideration in decision-making.

Worker participation in this thesis does not include employee share ownership schemes (such as described by Mason 1991; Pettigrew and Whipp 1991: 217). Neither does it include legally, or non-legally mandated joint governance relationships, nor membership by employee representatives on the company board of management (Verma and Cutcher-Gershenfeld 1993: 198-200), nor as members of an Eastern-European model of a self-managing organisation (such as discussed by (Baumgartner, Burns and Sekuli´c 1979), none of which occurred at MML. Rather, participation as discussed in this thesis acknowledged that there was knowledge and information that was apparent at different levels in the organisation which rendered it inefficient for management to make key decisions on their own (Freeman and Rogers 1993: 18). The changes in worker involvement and participation at MML are described chronologically and analysed in the next sections.

Worker involvement

McLagan and Nel (1995) put forward a taxonomy of worker involvement requiring different levels of corporate responsibility. At the least powerful of their order is 'prescribed action', such as collective agreement on SOPs which the group then agrees to abide by. 'Activity participation' such as working in QCs or the use of SPC to determine process adjustments are examples where, in their estimation, there can be 'real and meaningful' worker involvement. 'Role participation' they identify as workers making recommendations or decisions on production and activity goals and liaison with customers to determine their needs. 'Context participation' includes involvement in activities that are outside the immediate concern of the workplace team, such as influencing the size of budgets and deciding on the capital expenditure for the purchase of particular equipment. Lastly, they refer to 'vision participation' in which workers assist in the development of the enterprise goals, values and mission, determining who will be involved in strategic planning and when it will occur (McLagan and Nel 1995: 189 - 192). This attempt to codify involvement and participation is not as clear-cut in practice as McLagan and Nel infer. For example, involvement in determining the nature of prescribed actions which the group then agrees to follow, may involve higher level discussion with customers, or agreement

to use particular technologies that may involve budgetary outlay, even though the final and visible outcome might simply be a restrictive SOP by which all workers are bound for action. Nonetheless, the codification does attempt to differentiate between the collaborative, relatively local impact, production process improvement activities that in this thesis are called *worker involvement* and the higher order collaborative activities that result in changes to company policy, which are referred to here as *worker participation*.

In late 1985 a new management, intent on improving consultation with the workforce was established at MML. Don Riddoch, the new divisional manager, wanted the factory cleaned up. He decided that it was time to paint equipment to refresh the factory floor and invited the press shop operators, through their supervisor, to decide what colour the presses should be painted. Perhaps it was a test of Don's intent by the workers, or perhaps the supervisor gave Don the first colour that came into his head, but the choice was bright blue. Don followed through and over the summer break the presses were duly painted bright blue, with red and yellow safety zones freshly marked. This superficial request for input was the first identified opportunity for worker involvement during Don's regime (executive interviews, 1991). Don was keen that it continue in light of his assessment of the company's operations.

Don Riddoch's assessment of the state of MML in late 1985 was that the company was failing because of its poor OHS record. An average of 300 hours per month were lost to injury and 30% of the factory floor sustained an injury each year (company records). He determined to clean up the factory and called on the workers to help. A HR Manager, Peter Lockwood, was appointed in early 1986 to direct the effort. A Safety Committee comprising a worker representative (appointed by management) and management was convened to direct OHS-related improvements in the factory. Its work in the first few months was reactionary, that is, it responded to complaints rather than worked to an overall plan. Despite the fact that management had appointed the employee representative for this first Safety Committee, it remained an important focus for worker involvement because results were seen from its activities. Management and worker objectives for OHS seemed to

be in accord; both parties wanted to see the factory floor cleaned up and the rate of injuries reduced. Within a short period, accumulated rubbish was removed, yellow lines were painted on the floor to delineate corridors and 'go-no-go' areas and SOPs were prepared for some critical jobs with limited worker input. By June 1986 the company was almost at break-even and by June 1987 the company returned a profit, which could be solely attributed to OHS-related savings from a decrease in injuries and their associated costs (executive and worker interviews, 1991).

Don Riddoch was identified by both his fellow managers and workers as an autocratic person who bullied workers into the sorts of changes that he wanted to see put into practice at MML (executive interviews, shop floor interviews, 1991). However, the coercive and paternalistic strategies he adopted may have been effective for the time, as Dunphy and Stace suggest (1988: 325-6), as applicable to the conditions of the company and the operating context of the time. At that time there was agreement by workers and acknowledgment by management about the need for change in the organisation but no agreed management strategy for achieving this and therefore no 'buy-in' by employees. Under those circumstances Don demanded some level of involvement by people in order to prove his sincerity about wanting to hear their opinions. He made a point of spending his first twenty minutes or so at work walking around the factory floor talking to workers. He called this 'Management By Walking Around', but although he picked up regular information from shop floor workers, the information came from limited sources as described earlier. The workers he talked to regularly had no formal consultative or representative role, but they were not afraid to step over the symbolic boundaries between shop floor and office. Don suggested that over time 'workers got used to being involved' in change processes (executive interviews, 1991), hence the strategy of coercion led, in his opinion, to the uptake of worker involvement under his guidance. His desire to see improved worker involvement in OHS matters was reinforced by new OHS legislation in 1986 which was built on the foundation of collaborative problem solving in OHS matters. Following the introduction of the legislation an expanded Safety Committee was convened, this time with employee-elected representatives. In some areas of the factory there was a contest for the

position of elected HSR, indicating that there was interest in worker involvement, at least in the area of safety and the working environment (HSR interview, 1991).

Over the next few years, Don embraced a number of different organisational strategies aimed at improving company performance. These invariably required an increased level of employee involvement. He embraced the Japanese philosophy of kaizen – 'frequent small improvements' and decided that workers should be involved in 'kaizen groups' to solve production problems. Although he insisted that workers be involved, he provided no training, management support, or means to implement any outcome of the groups. Without this support the kaizen groups soon disbanded because workers had limited understanding of what was expected of them and they regarded the groups as a waste of time (worker interviews, 1991). By 1988, Don decided that the principles of TQM could help his company and he expected to see a further increase in employee involvement (executive and worker interviews, 1991). TQM was built on a foundation of employee involvement in the pursuit of quality objectives (Dawson 1994b: 105) and QCs of cross-functional employees were established and operated, with limited success, under the guardianship of Roger Williams, the QA manager.

For example, in one department there was concern over a high value-added component that was manufactured to the specific requirements of the customer. These were continually failing on installation in the motor vehicle at the assembly plant and as a result, several crates of the product were returned to MML. A QC group took on the investigation of the problem and included a trip to the (local) customer to see what happened to the parts at the other end. They were surprised at the treatment that their carefully manufactured parts received at the hands of the customer, but in talking to the customer's workers they had to concede that the parts would not move properly once installed. The assembly workers 'coerced' them into moving with the back of a spanner and not surprisingly the parts were often damaged in the process. Together, the QC members and some of the customer's employees examined the problem and redesigned the interface between the component and the motor vehicle. In fact, the solution was simply a matter of inserting a different type

of washer, a solution that reduced the cost of production and prevented further returns and disruption on the customer's assembly line. There were significant savings for the company because of the work of the QC arising from this effort. However, no return of the savings was ever made to the workers (executive and worker interviews, 1991; notes from participant observation, 1991).

Other QCs convened to sort out production problems were not as successful. Failure to produce outcomes resulted from technical inadequacies, such as lack of training in problem-solving processes, poor access to engineering expertise, inability to calculate the cost of changes and lack of consideration of customer needs. In addition, there were operational inadequacies which arose from production pressures such as members of QC groups being selected on the basis of 'who could be spared' at the time of the meeting, rather than 'who has appropriate knowledge and skills?'. Thus, inconsistent membership from one meeting to the next, insufficient meeting time, lack of leadership of the groups and lack of management coordination and support added to the failure of the groups. Despite management's stated insistence on the value of workers' ideas and their input, the opportunities for worker involvement were scanty and set up for failure, rather than success. By the time of my participant observation on the factory floor in July 1991, QCs had almost entirely disappeared from the factory agenda (participant observation, 1991), which meant that there was little or no real worker involvement.

Following the appointment of Roger Williams as QA Manager in 1988, a concerted attempt was made to improve the quality of produced goods, starting with the introduction of the concept of internal and external customers to refocus thinking about customer service. SPC was introduced to the factory floor in the expectation that this would provide tighter control over production processes and SPC training was provided for selected factory floor workers. This was extended, over a three-year period, to all shop floor employees, with the training provided by an external consultant. Although SPC did help to control processes by pointing to deficiencies in processes, it did little to provide opportunity for workers to be involved in solving the identified problems. Rather, quality inspectors and maintenance staff performed

this work. Numerical coordinate measuring equipment was introduced in 1990 and used by shop floor quality inspectors, but not by process operators. Similarly, shop floor operators had little to do with the MRP II system, which was introduced to the factory by the materials manager in 1990. The system predicted materials usage rates and provided tighter control over the flow of materials than had been experienced in the past, but it was regarded as something of a mystery by shop floor workers. MRP II dictated required build rates to workers and informed them about stock holdings of parts, sub-componentry and WIP, but did not tell them where the parts they needed were physically located in the factory floor. At that time, parts tended to be stored wherever they would physically fit in the factory, with the inevitable result that some materials were lost. Often MRP II was found to be inaccurate. MRP II might tell the workers that a stock of parts was in the factory and considerable time would be spent in a fruitless search, while at other times the workers would physically have parts that MRP II told them did not exist. In essence, it was outside worker control, but controlled the activities of workers (executive and worker interviews, 1991). These production system interventions actually diminished opportunities for worker involvement rather than enhanced them.

In 1987, a suggestion scheme was established to encourage workers to be involved in improving the workplace. By the rules of the system, workers received a percentage of the monetary gain made by the company in return for their effort. There was a flurry of activity at the introduction of the scheme while workers pursued and wrote up their ideas in their own time. Workers were willing to put time and effort into this work if they were rewarded for it, that is, they regarded their ideas as discretionary capital. That is, their physical labour was their legitimate exchange for wages, but they were under no obligation to give to management their ideas without due reward. However, the reciprocity of financial reward for ideas did not occur frequently enough or at a high enough level and within a few months the number of suggestions slowed to a trickle. This program was no different from those employee involvement programs that Mclagan and Nel identify, which in dwindling become the ‘target of sarcastic pub talk’ (McLagan and Nel 1995: 11). Management examined suggestions very slowly, there was a high rate of rejection of ideas without consultation with the

authors and little or no monetary return. 'Interesting' ideas that could not be implemented were awarded a $20 incentive payment. The workers considered this inadequate. They considered this to be far too small a return on the investment of their personal time. A few workers, with specific engineering skills, reported that they had 'done well' out of the scheme over the years but no-one mourned its passing when the Consultative Committee moved to disband it as redundant following the introduction of lean manufacturing in 1992. By that time the idea of the suggestion scheme, which was intended to reward thinking individuals, was considered to be counter to the lean philosophy of team work in which teams were the focus for process improvements, not individuals. In summary, the avenues for worker involvement in processes in the company from 1986 to 1991 were slight, despite management rhetoric about employees and their ideas being 'the company's most important asset' (executive and worker interviews, 1991).

The opportunities for worker involvement on a large, coordinated and resourced scale only came with the adoption of lean manufacturing under the auspices of the Workplace Change Program in 1992. Worker involvement under lean manufacturing had a focus 'on continuous improvement, by involving all employees in the elimination of waste' (Guarded Reference 13: Session 1). In particular, lean manufacturing called for the 'elimination of the waste of unused ideas' (Guarded Reference 13: 1-A.1). Worker involvement was systematised and increased in influence with the introduction of lean manufacturing. It included CIP groups, the introduction of a QDC Committee and informal (and later formal) benchmarking with other companies. So, the level of involvement and the extent of worker influence quickly built up during the introduction of lean manufacturing and in the few weeks following the completion of the lean manufacturing training (described in Chapter 3). Over the period July – October 1992, the factory was almost completely re-designed with every department undergoing significant, worker-led change. During this period, some of the CIP activity was pursued in workers' own time, not because it was expected of them by management, but because there was enthusiasm for the changes in the company and workers had more control over those processes than ever before. So it was not uncommon for teams to come in early for their shift

to talk about a proposed change or to actually implement it and then sign on for work at the commencement of the shift. Restructuring of the company and the retrenchment of indirect labour in November 1992, resulted in a reduction in worker involvement activity, but this built up again in 1993 following the summer break.

In the last year of the research period, the CIP process was formalised and a coordinator, Jeffrey Bolger, was appointed to monitor its progress and 'clear obstacles'. His task was to keep records of projects that were underway, help teams overcome difficulties such as sourcing people with needed skills, help to resolve conflict, help teams establish the cost-benefits for their ideas and work out the returns expected by the company and employees. He made sure that team members were properly recompensed for their work and was regarded by the workers as scrupulous in this work. Jeffrey Bolger's role became a necessity when the EA of 1993 was struck, because it included mandatory worker involvement in CIP teams and traded collective CIP savings for increased wages. Worker involvement was no longer voluntary but compulsory. In the last year of the research period, worker involvement in CIP projects in teams and actual changes in production processes declined gradually, although by December 1993 average CIP savings of $70,000 per month were still being reported (File 7, 1993: 26). The decline in activity might be attributed to the observation that the quite spectacular changes that were made during the introduction of lean manufacturing in the latter part of 1992 were the obvious ones and opportunities for large changes, such as the redesign of the stores and despatch system, were no longer so readily available. However, given that new products and processes were being introduced continuously in the plant, there were opportunities for small, sometimes lucrative changes. More importantly, with the passage of time there was increasing worker disenchantment with lean manufacturing, as the stress of production with low inventory or buffer stock became apparent.

Effective JIT operation required that plant and equipment as well as the people stood up to the production pressures. Breakdowns in machinery (downtime) or an insufficient amount of trained labour that held up production, were serious when they

led to a lack of supply at the customer's assembly plant. MML, like other components manufacturers, lived in fear of 'stopping the customer's line' because of under-supply of product. To do so meant that the customer could fine MML heavily for each hour of lost production at the assembly plant. To counter this, deliveries to interstate customers were sometimes made by air freight instead of road or rail, a very expensive option that swallowed up any profit on the product. Much of MML's plant and equipment was old and in a precarious condition. With buffer stocks in place, downtime could be accommodated, but with JIT production inadequacies in the production process became more obvious. Rather than this becoming a management issue, downtime and the efficient running of the production process became the responsibility of shop floor teams to resolve. Thus, pressure to perform was high and workers identified that teams were receiving conflicting demands to increase the proportion of direct (production) hours, while at the same time increased time spent on CIPs, attending training courses and meetings was also required. Team members reported that at the introduction of lean manufacturing teams were given real opportunities and time, to be involved in process improvements and there was a strong feeling of good will in the factory. However, continually taking non value-added work (the 'fat') out of the system meant that the rate of work could increase and the new level of increased production soon became the norm. They identified that people were under stress and absenteeism had increased. As one worker put it, 'we aren't lean, we're anorexic!' (Notebook 12, 1993: 7). Concerns about lean manufacturing, based on the experiences of US automobile workers (such as reported by Parker and Slaughter 1988; Parker and Slaughter 1994) struck resonant chords with MML workers. Workers identified that they 'took home' the worries they had about production processes as they had never done before and they predicted that there would be effects on labour turnover and worker health. They reported that although they enjoyed the opportunity to be involved in process improvement, they were no longer prepared to commit ideas to CIP activity in their own time. They adopted the attitude that if their intellectual capital and personal time was required, then it should be paid for and used during working hours. This struggle between the demands of production requirements, the need for ongoing training and other indirect activities and wanting to be involved through the more

creative aspects of lean manufacturing that was experienced in the teams had not resolved by the end of the research period.

There were significant changes in the nature of worker involvement at MML prior to and throughout the period of the research. Prior to 1991 worker involvement was limited, but by the early part of the research (pre-lean manufacturing), it had evolved into workers being involved in tightly controlled operational techniques, such as SPC, to pursue improvements in quality. With the introduction of lean manufacturing, worker involvement increased significantly although the span of influence of workers remained local. For example, workers took charge of the development, introduction and maintenance of the pull system and visual controls within their departments and they contributed to the re-design of their work areas and process changes through membership of CIP teams. They reported increased work satisfaction and put in hours of unpaid time outside of work hours to complete projects that they regarded as engaging and personally enjoyable. They were invited by management to 'just do it' within the constraints of the 'acid test' (described in Chapter 3 and reproduced in Appendix 3), a position that implied the trust of management in workers' judgements and local decision-making. As Dawson (1994b) indicates, this shift from worker involvement in operational techniques such as SPC, to worker involvement techniques leading to the development of high-trust relationships between management and the workforce, are characteristic of the NWM methods (Dawson 1994b: 105). As teams evolved, workers became more involved in work processes, scheduling work, liasing with customers and suppliers and devising their own working hours. To some extent they were emancipated from the old control of middle management as a result.

The tide turned when worker involvement became compulsory under the terms of the 1992 EA and CIP earnings were traded for wage increases. The stresses implicit in the lean manufacturing system of JIT deliveries and low inventories, began to catch up with people. Increased production pressures combined with mandatory CIP involvement meant lean manufacturing became a burden rather than a welcome challenge. Instead of being controlled by middle management, workers found

themselves being controlled by the new administrative unit, 'the team', effectively each other. This 'horizontal coordination and control' is a characteristic outcome of the increasingly decentralised and flatter organisational structures of NWM (Lewin and Sherer 1993: 238). Lewin and Sherer suggest that the success of such strategies depends heavily on there being congruency of approach between management and workers; shared 'values and habits of the mind' (Lewin and Sherer 1993: 238). As this research shows, the opportunity for such congruency does exist, but even with a high degree of congruence there are differences in the goals of management and workers and the issue then concentrates on how the differences are resolved and managed (Verma and Cutcher-Gershenfeld 1993: 216). Not the least of these differences was demonstrated in the MML management goal to keep workers' wages as low as possible, versus the workers' goal of maximising their income and especially to receive recompense for the use of their intellectual capital.

Lean manufacturing emphasised continuous improvement, worker involvement and the elimination of waste from production processes. In order to be a lean manufacturer, MML management needed worker involvement. It was regarded by management as a basic requirement, the right thing to have, the means to improved productivity, quality and customer satisfaction. Workers demonstrated a willingness to be involved and to bring their intellectual capital to bear on the day-to-day production problems that they faced, but they were only prepared to do this in the long-term if they were rewarded for it. On another level, some workers wanted more than involvement in their own, local work processes; they wanted an increased say in the management of the company and this was pursued as worker participation.

Worker participation

Worker participation, may be expected to have the effect of dampening employee grievances and decreasing labour turnover, but reducing the impact of negative events in the organisation, is not the only effect. Developing a collective voice, wherein different levels of organisational participant can contribute to decision making, alters the relationship between management and workers and creates

processes of decision making that rely heavily on cooperation and shared information (Freeman and Rogers 1993: 19). Indeed, as Lewin and Sherer suggest, fostering systems of shared decision making may be a strategic choice for some managers in response to management acceptance of workers as important stakeholders in the firm and as a means of investing workers with the 'shared values' of the enterprise (Lewin and Sherer 1993: 236, 238). From a pragmatic perspective, McLagan and Nel (1995) declare that a shift to participative workplaces is 'inevitable' because it is possible to implement and 'necessary' because the decisions that are faced in today's workplaces 'are too complex and interdependent to be solved by a few people in authority' (McLagan and Nel 1995: 3). During the period of the research, worker participation in company decision-making at MML was encountered in the activities of the various management-employee committees at the plant, in particular the Consultative Committee. This committee had a long genesis.

In the early days of the company turn around, 1986 – 1988, there was almost no worker participation. Although a Safety Committee and a Works Committee were established, neither provided significant opportunity for workers to contribute to traditional areas of management decision-making, such as finance, marketing, employee deployment and the development of policy and procedures. Instead it was principally reactive in operation. The committee tended to 'put out fires' rather than prevent the fires from igniting in the first place (executive interview, 1991). The first input by employees to management decision-making came in 1990 when the Safety Committee devised a corporate safety plan, identifying how the company would use its resources to improve OHS (company records). Thereafter, the Safety Committee was responsible for overseeing the implementation of the safety plan, that is, it became a joint management/worker activity. In itself, the activities of the Safety Committee were significant and provided an important learning ground for both management and workers on participative decision making. MML had developed a strong reputation as a safe place to work and had been recognised by community groups and state and federal OHS authorities for its collaborative and effective OHS systems (see for example Guarded Reference 7). However, worker participation was

largely confined to matters to do with workplace safety until the formation of the Consultative Committee in 1992.

The Works Committee

The other formal consultative forum that was established prior to the research period was the formal union negotiation forum, the Works Committee. Union organisers who were interviewed in 1991 indicated that they rarely came to MML any more. but there were 'filing cupboards full of information on disputes at the company before 1986' (union official interview, 1991). The Works Committee had played a strong role in calming industrial unrest by providing an in-house negotiating point for dispute resolution. The committee members were two workers of influence, the Shop Stewards, Gabor Szeto (MEWU) and Ken Stacey (FIMEE), the HR manager, Peter Lockwood and the then Production Manager, Andrew Marlin. However by 1991, some shop floor workers were looking for an increased say in management decision-making at this time, as my notes on participant observation reveal and looked to a consultative committee to provide the opportunity for that input:

> My lunch time discussion [with a group of workers] was most revealing. **…** Their main beef is their claim that the HR manager really does not consult in the way in which the MEWU people think is appropriate. That is, they want to be in a position to make a meaningful contribution to decision-making. They want to be more than just listened to when the decision is already made anyway; which is what they consider happens now. They are critical of the FIA[15] approach which is completely compliant with management in their opinion. They were critical of the Kaizen approach as "giving employees a real opportunity to contribute to the operation of the company" as was claimed in a memorandum from Peter Lockwood. Firstly they claimed that the meetings had been held too infrequently in the last 6 months and in any case those meetings did not have any great effect on the company's operation - they were entirely related to product. **…** Don Riddoch started the Works Committee when he first took over the company and it was a link between management and the Shop Stewards. But the blokes claimed that that was insufficient consultation - that Shop Stewards did not get the opportunity to consult with all of their members anyway. A consultative committee on the other hand, with elected shop floor representatives as well as Shop Stewards, has the capacity to be a much more effective consultative tool (Participant observation, July 1991).

[15] FIA – Federated Ironworkers' Association. This union became FIMEE with union amalgamations.

So the desire of some workers to have a more complete say in the management of the plant, their confidence in their capacity to contribute well and their sense of the potential value of their contribution, was clearly expressed. These workers demonstrated understanding of the types of processes that needed to be established to enable participation to occur and expressed the willingness to be part of the process.

Enterprise bargaining

Enterprise bargaining (EB) at MML was a critical step in the path to increased participation by workers in management decision-making. As will be seen, the industrial relations pathway formalised and legitimised the role of the workers of influence in participation. The content of the EA was negotiated between management, worker representatives and union officials and spelt out the expectations of the worker and management contributions to workplace change.

The Works Committee, expanded to include union organisers from MEWU and FIMEE, was nominated as the SBU for enterprise bargaining in October 1991 (following the October 1991 National Wage Case) but engaged in desultory negotiations until February 1992. With the establishment of the Consultative Committee in February 1992, the Works Committee was disbanded and re-formed as a sub-committee to the Consultative Committee responsible for EB. The six men met on about a monthly basis until the agreement was struck in September 1992. EB meetings were held *in camera* and only summarised for the Consultative Committee. Negotiations for the EA were an important part of worker participation in the company because they dealt directly with the profitability of the company and management decision-making about the deployment of company funds to workers.

The management nervousness about EB was exemplified by this Notebook entry:

> Peter Lockwood [HR Manager] told me **...** that there was to be an enterprise bargaining meeting on Monday at 10.00am. His attitude to it seems defensive and threatened. He says it will be a meeting of the six members of SBU and would be confidential. He says he and Andrew will just listen, “Our question is, how can the company afford a 4.5% increase?”. I suggested it was time to go to the bargaining table

> positively and set some realistic goals that can be achieved. It's time to see EB as an opportunity to stimulate change**…** (Notebook 1, 1992: 12).

The negotiations focussed on the justification for increased wages. In March 1992 the management reminded the SBU that the company was still feeling the effects of the recession, that there were still people working a four-day week and that slow cash flows from falling sales were the principal reasons for the lack of action on wage increases. They agreed to pay the 4.5% increase that was demanded, but preferred to pay it in instalments rather than one hit. The union organisers told the management that MML was out of step with other 'best practice' companies that had EB well underway. There was a sense of urgency about the process, they said and the national secretary of MEWU, George Campbell, had 'expressed concern about the lack of action at MML' (File 1, 1992: 96). It was two months before a draft agreement was struck and there were complaints from the union Shop Stewards that the management were employing delaying tactics in order to avoid paying wage increases. The draft agreement acknowledged that the company had received a productivity increase of 2.5% from worker involvement in the suggestion scheme, kaizen groups and QCs. It anticipated that further productivity gains would be achieved through the adoption of lean manufacturing and 'the implementation of a broad range of training programs **…** to lead the organisation into self-managed work teams'. The draft agreement described the new consultative arrangements with the Consultative Committee as 'highly effective' and pledged to retain these. It supported changes in factory layout and the adoption of new technology and defined flexibility measures to improve efficiency. These included increasing the span of hours of maintenance crews, the ability to transfer labour between shifts, the continuous operation of machinery using available labour, the delivery of components between departments instead of into component stores and the staggering of starting and finishing times to achieve a wider span of actual production time (File 1, 1992: 184-185).

The final agreement contained all of these provisions, but was expanded to include detail about the role of the Consultative Committee. This effectively defined the nature of formal worker participation at MML. It gave control of the development

and oversight of the implementation of training to the Consultative Committee. (This was achieved by the formation of a separate Training Sub-Committee, which reported to the Consultative Committee.) The Consultative Committee was also named as the forum for consultation on banking of rostered days off (RDOs), for the development of a policy on the use of casual labour and for the review of performance against specified performance targets that were established as outcomes from the implementation of lean manufacturing. The agreement also formalised the intention for the company to move to jointly developed, team-based structures 'as a new method of work organisation' and identified the limits of worker autonomy as the specifications set down by the car manufacturers, such as through Ford Q1. Finally it agreed that the 4.5% increase would be paid in two instalments, the first on the ratification of the agreement in the Industrial Commission, the second two months later. The agreement was ratified on 23 December 1992 (File 4, 1992: 1-29). Although there was relief that the EB had reached a successful conclusion, in the eyes of the workers the management had 'won' in the bargaining stakes, having avoided paying a wage increase for the 14 months of the negotiations.

The Consultative Committee

The formally established Consultative Committee was the primary forum where representative workers of influence were able to act and participate in management decision making. In parallel with the first EB negotiations, the Consultative Committee met on a weekly or fortnightly basis, depending on the amount of work before it. It met regularly throughout the period of the research and was the principal forum for worker participation at MML. The Committee was established under the Workplace Change Program as part of the Change Project and was built on the foundation of the basically conflictual Works Committee. Consultation and communication were regarded as important parts of the improvement process by both management and employees and establishing formal structures was selected as the means to ensuring this occurred and, as we have seen, was built into the EA. Employees regarded the Consultative Committee as an opportunity to improve the level of participation by workers and their representatives in decision-making in the

company. They wanted to have a say in issues that directly affected their personal and working lives; for example, the timing of RDOs, the allocation of overtime, factory layout, the allocation of funds for working environment changes, training and the design of production processes. The agreement that this should occur, was included in the Guidelines for the operation of the Consultative Committee:

> In agreeing to form a Consultative Committee, all parties, management, Unions and Employees, acknowledge the requirement for an atmosphere of mutual trust and co-operation. The overall purpose of the Committee is to provide an environment for greater two-way communication and in doing so, establish a forum in which employees are able to express their points of view and thus have an opportunity to contribute to Management decision making and also allow Management to use employees' knowledge and experience. (Preamble of Guidelines for the Consultative Committee – see Appendix 2)

That is, the exchange of employees' knowledge for the opportunity to participate was spelt out. During the first three months of committee meetings about one third of the time was spent developing the guidelines for the operation of the committee. Ground rules were established: the purpose and objectives of the committee, the limits of its influence, how to deal with conflict, what to do if insufficient people turned up to meetings, a statement of the priority accorded to the meetings and so on. The process of establishing these rules meant each side of the industrial fence had the opportunity to state its expectations of the other while at the same time agreeing to expectations being verbalised by the other side; a process of team-building itself. The result was the Consultative Committee Guidelines (see Appendix 2). Throughout the period of the research, a worker representative chaired the Committee, although the Guidelines made the position available to any Committee member. This was a deliberate strategy of management, as a symbol of power sharing in the organisation. Similarly, although the Guidelines called for equal representation by management and employees, throughout the research period worker representatives out-numbered management representatives and management endorsed and encouraged this position.

Over the period of the research the Consultative Committee's range of influence increased and the discussions became increasingly frank, an aspect of the meetings

that was often commented on by visitors to the plant. Sensitive and confidential commercial and operational information was shared with employees and their ideas and input were sought in the development of company policies, in line with the Consultative Committee Guidelines and the EA.

For example, in September 1992, during the lean manufacturing training, the Group Sales and Marketing Manager, David Templeton, from Head Office, was invited by Ken Stacey, the Chair of the Consultative Committee and a shop floor representative, to attend a meeting to discuss recent export contracts with the group. He attended a Consultative Committee meeting while he was in the city on other business and spent about 40 minutes of the meeting discussing the future of MML. He invited the members of the committee to interrupt him and ask questions and, sharing the informality of the organisation and in line with MML practice, was always addressed by his given name. Stating that the information that he was sharing was confidential and could not be discussed outside the meeting, he proceeded to outline the nature of the relationship of MML with the other ACPL divisions from the perspective of the products that were produced. He discussed MML's relationship to its customers, giving an assessment of current work and potential work and the implications for future employment levels at MML. He discussed patents, research and development initiatives in the company, the potential for the production of modular product, rather than componentry and joint ventures with international companies that were under negotiation. He talked about the possibility of a new facility to be built in the same city as MML to manufacture modular product and expressed his own excitement about the possibilities he perceived that the introduction of lean manufacturing could have. He sought and listened to the input of the committee members and answered questions in a frank manner. He told the committee that he was impressed with the conduct of the meeting and the quality of the questions that were put to him and said he would like to come again. Immediately following the meeting the Committee Chair, Ken, wrote to David thanking him for,

> … bring[ing] those of us who represent the shop floor into the 'big picture'. We appreciated your sharing information with us and giving us the opportunity to contribute to the future direction of the company (File 2, 1992: 106).

David Templeton immediately responded by fax saying that he would be 'delighted to continue to provide further information and feedback' and asked the Chair to let him know the specific issues of importance to the Committee (File 2, 1992: 109). He was placed on the distribution list for minutes of the Consultative Committee and subsequently, he flew from Head Office to attended the meetings on an approximately bi-monthly basis to discuss recent and projected sales and marketing activity and report on the success or otherwise of his negotiations overseas. He told the Committee that he valued their collective opinion, he reported on confidential information about contracts that were under negotiation and listened to what they had to say. There is no direct evidence that he made decisions on the basis of the input that he received from the Committee, but his expression of confidence in the group and the fact that he regularly flew interstate for the purpose of attending the meetings suggests that the input was influential.

The Consultative Committee was also instrumental in the development of policies for implementation at MML and it was in this arena that the workers of influence could bring the ideas of their constituents to the attention of management for action. The Plant Manager routinely put draft policies to the committee for comment and allowed time for the employee representatives to consult with their electorates. The MML policy on allocation of overtime was developed by the workers from a draft prepared by the HR Assistant following a charge by one employee representative that overtime allocation was inequitable and that favouritism played a large part in it. The Plant Manager told the committee that the allocation of overtime only affected the workers and as long as the people doing overtime were competent to do the job required, he was happy to leave the allocation policy to the workers to design; that is, having defined the boundaries of acceptability, he delegated the task of policy development to the employee representatives, confident that they would resolve the matter. The final policy prescribed a simple, team-based roster system which excluded people on alternative duties following injury and people who had been late to work in the previous month. While the Plant Manager was happy to endorse the policy, he told me in private that had he put forward such a proposal, the workers

would have rejected it. He concluded that the employees were harder on themselves than management was.

Management was not so keen to delegate responsibility to the workers to devise a policy on casual employment, despite the fact that it was included as an area for consultation in the EA. Andrew Marlin, the Plant Manager, allowed discussion on this topic to persist for months before any resolution was made. The MML management had a policy of employing all new starters as casuals, ostensibly for a probationary period because this provided a finely-tuned degree of flexibility in labour levels. However, the workers of influence suggested that this had become a habit, that casual labour was used wherever possible and that there were people employed in the plant for well over 12 months, generally working full-time, on a casual basis. They suggested that the pool of casuals would be used to reduce labour when CIP projects improved the efficiency of production projects and decreased the need for labour. They asserted that this would be less noticeable to the workers; a position that management hotly denied. The workers of influence brought individual cases and statistics gathered from the factory floor to the Consultative Committee meetings to prove their point. According to the MEWU organiser, MML's practice of keeping people on casual wages for extended periods of time was out of step with other companies involved in the Workplace Change Program, a position that was supported by government officials on the Program. This information was brought to the Consultative Committee by the workers of influence who were able to argue their case for the development and implementation of a clear policy on casual employment, putting the MML management in a position of having to respond. The workers of influence had strong input to the development of the policy and they regularly sent it back to management for readjustment. Workers argued on the basis of fair play, what was best for workers and what was best for the company and chose not resort to traditional industrial measures, sanctions or strikes, in order to push their ideals. The strength of the workers' confidence in the Consultative Committee mechanisms was such that they considered that they had adequate influence to see the policy changed – which it ultimately was.

Enterprise bargaining round two

In August 1993 a second round of EB began. This time the workers of influence on the Consultative Committee argued strongly that the process would be simplified if the Consultative Committee plus the two union organisers were considered to constitute the SBU, rather than confining it to the Shop Stewards. Although management was concerned about the cost of negotiating with such a large group, this was agreed. Out of character for this industry was the inclusion of the representatives of the *non-unionised* administrative employees in the SBU. This was at the request of one of the non-union Consultative Committee employee representatives, who also argued that the EB should cover administration employees. This was unusual in the industry, but there was considerable solidarity amongst the workers, unionised and un-unionised given the groups had supported each other in negotiations with management and during the retrenchments of the previous November. Interestingly, neither the management nor the union officials (for opposing ideological reasons) were happy to accept this degree of cover but ultimately the EB was framed to cover all employees in the plant. Management conceded that this would simplify both the process and the implementation of the EA and the union officials reluctantly bowed to the demands of their members.

Negotiation of the second round of EB took four meetings over a three-week period. In comparison with the first round of negotiations, the process was simple. Both parties to the agreement agreed in the first meeting about what was mutually acceptable and what was to be negotiated. Having established commonalities they then proceeded to negotiate on the areas of difference. Although, as has been described in Chapter 3, the negotiations were not completely straightforward because of the input from the interstate-based Group HR Manager, the outcome was agreeable to all parties and this time the workers did not feel that they had 'lost' at the bargaining table. EB presented an important opportunity for workers to establish and maintain legal rights to participate in the decisions that management made about use of funds, productivity measures and policies affecting the working lives of MML employees.

Management controlled the boundary of participation by workers of influence in the process of management decision-making at MML, as indicated in Figure 5, below. However, the workers of influence were able to push the boundary and influence the nature of management decisions. In doing this, they chose not to use the traditional industrial relations mechanisms (although these were available to them), but instead used agreed processes of consultation which both parties accepted; that is, the use of the Consultative Committee as the forum for discussion and negotiation. The workers experienced success with their development of the overtime policy and were regularly taken into the confidence of management by being given confidential information about the company and its performance in the market place. Through the EAs, workers of influence had negotiated the right to assist in the development of the company policies that directly affected their employment and conditions. They felt they could influence the financial status of the company and they were concerned about maintaining the health of the social environment of the company. The types of experiences that the workers of influence at MML had with respect to participation are similar to those described by Anton (1980).

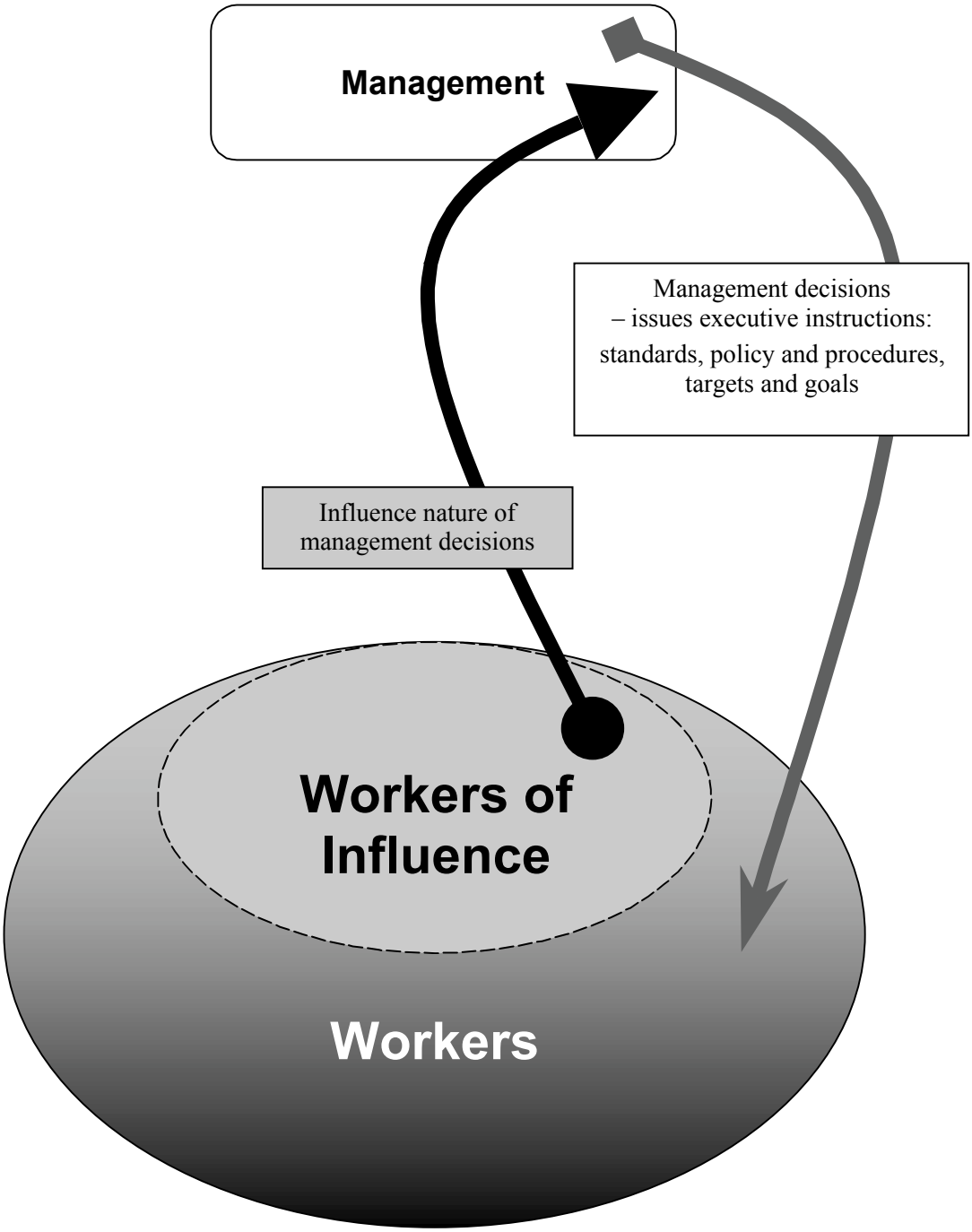

Figure 5. Workers of influence participate in management decision making

Anton advances three classes of worker participation: *ethical-psychological*, *politico-social* and *economic*. Anton's ethical-psychological stance places workers in the position of being considered to have the right to influence management decisions and working conditions because they invest their labour in the enterprise. From this perspective, worker participation is expected to reduce the effects of job fragmentation, specialisation and worker subordination in hierarchical controls by reducing worker alienation, enhancing the development of the worker's personality and increasing the worker's job satisfaction (Anton 1980: 15). Such a view expresses some moral outrage and begs the question, should not participation be the natural *quid pro quo* for workers' personal investment? It presents the potential for participation to be initiated by workers, although it is probably more likely that the commencement of participative management in a given firm is imposed, or demanded by management as a management prerogative (as it was at MML) unless the labour force has significant industrial power (Belcher Jr 1987). Sashkin, arguing from the OD tradition, supports this view of participation as an ethical imperative of management (Sashkin 1984; Sashkin 1986), but the view of workers operating passively in a framework established or condoned by a management committed to some form of industrial democracy is not backed up by this research.

The politico-social view that Anton postulates concerns the extension of the principles of democratic government to the workplace. From this perspective, workers are seen as having 'the capacity for responsible and moral deliberation' (Anton 1980: 16) and the function of workplace participation is an educative one; to allow workers to learn the skills of democratic involvement so they can make a positive contribution to the enterprise and society. Thus, the politico-social aims of participation include:

> … strengthened worker influence over management policies, improved terms and conditions of employment and greater integration of employees in the enterprise and the promotion of community welfare through more democratic institutions (Anton 1980: 16).

The improvement of the common good arising out of worker participation may be the unintended outcome from a worker participation program, since workers must

deal with the politics of the workplace and therefore might be more practiced in dealing with similar situations as they arise in the community. However, the notion that the educative potential of a worker participation program might constitute the reasons for the program's existence is unconvincing, naïve and somewhat paternalistic. This view frames workers as passive individuals normally incapable of participation in the broader avenues of life outside the workplace and suggests that the workplace might be the means of providing social education that can then promote their effective participation in the wider community. However, the opposite was apparent in this research. Many workers of influence at MML were active participants in a wide range of community-based activities. For example, several were members of their children's school councils, others participated in the management committees of their local child care centre. One worker of influence was a lay preacher, many were active in the management of local sporting clubs, there were several who were scoutmasters or St John Ambulance or Country Fire Service volunteers. The union Shop Stewards actively participated in union activities outside of the working day and took advantage of training opportunities on offer by the unions. Not only were they capable of active, self-directed participation outside of work, but also a cogent argument could be mounted that their community activities contributed to their capacity to act as workers of influence and participate in management decision-making in the workplace, rather than vice versa.

The third view proposed by Anton is the economic view, which sees worker participation as an effective means of increasing efficiency and profit, either directly or indirectly. From this perspective, worker participation is viewed as a strategy to use workers' good ideas, create ownership over change, raise worker morale, promote a spirit of cooperation and reduce conflict, thereby reducing the financial effects of worker alienation as manifested by absenteeism, industrial sabotage, alcohol and drug abuse and strikes (Anton 1980: 16). That is, the motivation for worker participation is principally to enhance the firm's economic outcomes. This form of worker participation is seen as top-down and managerially imposed and is cast as tricking workers into giving more than mere daily labour to improve profit.

In such a scenario, any good effects for workers are considered incidental, the economic imperative is the driver.

At MML, the economic imperative was identified by both management and employees as the principal driver for management to encourage worker participation, however, it was clear that the reasons that management pursued the path of worker participation and involvement were not confined to economic reasons. That is, economic outcome was seen as the end, but the means to the end were also important. With CAL as the mentor firm, MML management understood that worker involvement was 'the way lean manufacturing was done'. CAL's program was based on the Toyota Manufacturing System (as was lean manufacturing in the automotive industry more broadly) which relied on JIT and the elimination of WIP stock (Storey 1994: 7). CAL's system defined waste as 'overproduction, producing defective goods, materials movement, unnecessary processing, unnecessary inventory, waiting, unnecessary motion and unused ideas' (Guarded Reference 13: 1-A.1). Collecting workers' ideas therefore became a principal goal of management. The methods used meant that some workers experienced personal development in the process. The socio-political outcomes of increased participation in policy development by workers was recognised by management as valuable and workers reported that they appreciated the opportunities for personal development that existed. The non-financial benefits of participation and involvement for workers were by no means incidental, some workers were given opportunities for personal development that were significant. For example, several were given the opportunity to expand their public speaking skills and present papers at conferences, travel interstate as representatives of the company and give guest lectures at the university. On the other side of the coin, there were also sacrifices in conditions that were experienced and these are discussed later.

At MML, the commencement of worker participation was a management initiative, not in response to ethical-psychological considerations, but rather in response to an economic imperative. The MML management accepted that participation and involvement were natural components of lean manufacturing and therefore fostered

their evolution, their incorporation in the EA, company policy and procedures. The extent and quality of worker participation and involvement changed over time. At the outset it was superficial in comparison to the formal structures which were achieved at the height of the Workplace Change Program. Such formalisation of worker participation is uncommon, as Jensen observes,

> Often management presents a positive attitude towards [worker participation in improving the] work environment, in conformity with generally promoted ideas, stressing the workforce as the most important asset of the firm. However, this positive attitude is only rarely reflected in actual policies and procedures (Jensen 1997: 1082).

By the end of the research period, the level of worker participation remained high and was validated by inclusion in both EAs of the company. Regular, frank meetings and the steady development of policy and procedure to guide management as well as worker action were the result, with the workers of influence playing a critical part in their development and in monitoring their implementation.

The impact of worker participation and involvement

Whatever the motivation for encouraging worker involvement and participation at MML, the relationship between worker involvement and participation and economic outcomes was complex. Confounding factors, such as, changing economic conditions, customer-supplier relations, sales and marketing activity and the installation of new equipment and new processes, had impact on efficiency, productivity and profit over the course of the research. To infer a causal relationship between worker participation and involvement and improved company profit would be foolhardy because of the intricacy of any association. However, the outcomes of the CIP provide one measure of the economic benefit of worker involvement and appears to support the view that participation and involvement had financial benefits for the company and the workers. In the final twelve months of the Change Project, when reliable data were collected, the CIP yielded $309,661 in savings to the firm, with an implementation cost of $16,922. The financial benefit was shared with the teams according to an agreed formula, resulting in total payments to teams of $63,590, that is, a rate of approximately $350 per shop floor worker (Report 10,

February 1994: Appendix 4). Although the CIP directly represents worker involvement activities rather than participation, the active participation of workers of influence in management decision making supported the program of worker involvement in process improvement. The success of worker participation could reasonably be expected to be indirectly reflected in the CIP savings.

While the CIP had demonstrable outcomes that were of value to both the firm and the workers, this result must be balanced against fluctuations in other performance indicators that, as a basket of measures, demonstrated MML's performance. These factors further confound the relationship between worker involvement and participation and profitability. Overall in the same period there was a fall in WIP inventory, a desirable outcome for a lean manufacturing plant. Reducing inventory stocks was referred to as 'cutting fat from the system'. It positively affected cash flows and there was considerable (interstate) management pressure to achieve the smallest quantity of buffer stock possible, especially at the ends of the financial year and calendar year when stocktaking was performed. However, as the Despatch Coordinator commented,

> Stocks will not come down until [the] pull system is 100% [effective] and we are confident that we can reduce buffer stock without stopping the customer (Report 9, November 1993: Appendix 1).

While CIP savings were up and inventory fell there were fluctuations in quality as measured by customer returns, rework and scrap and apart from one month, delivery performance was below 80% of customers' expectations and well below the company target. Throughout the final year of the research there was a doubling of absenteeism in comparison with the year before, although employee turnover remained low. In the latter part of this period, employees complained that they could not balance the requirement to participate in CIP teams and be involved in their own team management, as well as attend satisfactorily to the needs of production all with the same number of employees that, pre-lean manufacturing, had attended only to production. There was little empathy or support from management. The Plant Manager's response was to say. 'It's what you agreed to in the EA' (Notebook 9, August 1993: 50-52). The management approach to worker participation and

involvement had changed. Indeed, it could be inferred that the manner in which worker participation and involvement was practiced at MML in the last half of the research period contributed to the decline in delivery, quality and productivity in the period. These findings are supported, although somewhat inconclusively, by the conclusions of a recent international study of the links between employee empowerment and firm performance conducted by Oliver and Delbridge (1999) and discussed further in the next chapter. Miller and Monge (1995), in their meta-analysis of participative decision-making, observe that 'participation has an effect on both satisfaction and productivity and its effect on satisfaction is somewhat stronger than its effect on productivity' (Miller and Monge 1995: 164). They conclude that the impact of a participative climate in an organisation contributes more to satisfaction than participation in specific decisions and that a climate of participation in goal setting does not have a strong effect on productivity (Miller and Monge 1995: 164).

Participatory activities tend to be supported in firms with good financial management, where participation is not seen as a cost but is budgeted and planned for (Jensen 1997). With the support of the Workplace Change Program, MML could afford the extensive training that was required to enable cost effective worker involvement; however, it was apparently unable to budget and plan for the cost of ongoing involvement and participation. Jensen reports participation is more likely in firms employing greater than 100 people because organisational structures tend to be formalised and work organised systematically. (Although this observation may be a result of the methodology as systematic structures are easier to identify and analyse). Other factors Jensen identified as promoting the use of participation and involvement are the labour market position of employees (with management being more prepared to listen to those people who are endowed with knowledge, skill and educational qualifications that are in greater demand in the labour market) and top management support for participative activities based on management ethics and the firm's image in the market place (Jensen 1997: 1083).

The workers of influence were not passive in their approach to organisational change at MML, neither were they constant resistors of change. Instead they participated in management decision making through the Consultative and other Committees. They were able to do more than engage in 'joint decision making at the bargaining table on bargainable issues' (Verma and Cutcher-Gershenfeld 1993: 216) and agree on an EA; they were able to influence decisions on wide-ranging company policies at management level. Nonetheless, the management at MML defined the boundaries of participation, but workers of influence could shift them, albeit within defined limits. For example, workers of influence could not make financial decisions or strategic decisions about the company's future on their own. Although the role of the Consultative Committee was established as 'advisory', in effect it provided the location for joint worker/management decision making. The management team were all members of the committee and decisions were made at the meetings, with input from the workers of influence, not taken away and caucused by management elsewhere. The input of the workers of influence affected not only local decisions, but the evidence suggests that they had some influence at the level of the parent company through the involvement of David Templeton, a senior corporate manager.

Conclusion

In analysing the nature and extent of worker involvement in workplace change and the participation of workers of influence in management decision-making, it is clear that the boundaries of participative activities were subject to change over time. Through the collective voice of the Consultative Committee, as well as via individual action, the boundaries of influence were shifted during the introduction and implementation of lean manufacturing. The MML management took advantage of the skill, knowledge and political acumen of shop floor leaders and change agents, the workers of influence, because here there existed a level of knowledge that senior management normally had limited or no access to. Thus, worker participation formalised the capacity for decisions to be made which drew on the input of a wide range of organisational participants. The workers of influence were able to bring valuable new perspectives to management decision-making and were not confined to

issues of industrial relations significance only as Verma and Cutcher-Gershenfeld suggest (1993: 201). As this research indicates, given the opportunity, workers stretched the boundaries of their influence, participated in management decision making and enabled significant change to occur in the organisation. However, the literature on organisational change gives little emphasis to the importance of the collective, representative voice of the workers of influence. They are lost leaders within organisations and largely ignored in the literature, a position this thesis attempts to redress. Although the workers of influence were *influential*, there were boundaries on their influence that management ultimately set and which existed because of the differential of power and control in the workplace. These issues are discussed in the following chapter.