# Workers Changing Work:
# The Influence of Worker Power

**A longitudinal case study analysis of workplace change at Moving Metals Limited**

by

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# Abstract

This thesis is about the role that shop floor workers play in organisational change. In particular, it investigates the manner in which a distinct group of worker-level leaders and change agents affected the generation and implementation of change and helped to shape the change process in an organisation undergoing planned change. The data for the thesis were obtained from a three-year, longitudinal case-study of organisational change in a medium-sized automotive components manufacturer, Moving Metals Limited (MML). Data were collected at MML during a move from traditional mass production to lean production and the research was conducted using processual action research, while the researcher adopted the dual roles of researcher and consultant to the company.

The research identified a distinct group of workers, with no supervisory capacity, who were able to shape the change process in the organisation. These workers are referred to as *workers of influence*. This group of workers emerged as central characters in the process of organisational change and as leaders and change agents in the organisation. Drawn from the empirical data, criteria for identifying workers of influence are developed in this thesis, based on the authority vested in them by the workforce and their access to management decision-making. A taxonomy of workers of influence is developed in this thesis using these criteria, as well as the duration of tenure of influence.

In much of the literature, shop floor workers are portrayed as either passive participants in, or active resistors of organisational change. This research provides evidence of some workers acting as leaders and change agents in an active and influential manner. The research examines issues of power, influence, autonomy and control and their impact on workers' capacity to participate in change. In so doing, this research identifies and opens up an important area of study with implications for organisational theory, literature and the implementation of planned interventions in organisations.

# Executive Summary

This thesis investigates the manner in which a distinct group of worker-level leaders and change agents affected the generation and implementation of change and helped to shape the change process in an organisation undergoing planned change. The data for the thesis were obtained from a three-year, longitudinal case-study of organisational change in one organisation, Moving Metals Limited (MML). The research was conducted using processual action research while the researcher adopted the dual roles of researcher and consultant to the company. This research method was found to be an appropriate research strategy for carrying out intensive, longitudinal case-study research in organisations.

MML is a first-tier automotive components manufacturer located in the suburbs of an Australian capital city. At the time of the research, the company employed about 200 people. During the period of the research, the company introduced best practice approaches to manufacturing through the adoption of lean manufacturing. The research examined the processes of change from multiple perspectives, including that of the workers, supervisors and management and identified a distinct group of workers, with no supervisory capacity, who were able to shape the change process in the organisation. These people are referred to as *workers of influence.* This group of people emerged as central characters in the process of organisational change and as leaders and change agents in the organisation and were therefore the focus of the study. This study builds on the early work of Etzioni (1961) who identified informal leaders as people who, although they had no power associated with their position in

the formal hierarchy, were able to use their personal power to influence their followers (Etzioni 1961: 90-91). Using the empirical data from the present research, criteria for identifying workers of influence are developed in this thesis, based on the authority vested in them by the workforce and their access to management decision-making. An empirical taxonomy of workers of influence is built into this thesis using these criteria, as well as the duration of tenure of influence. Thus workers of influence can be identified as *representative*, *advocate*, or *informal* workers of influence and their tenure may have been transient, short-term or long-term.

The thesis discusses the impact that workers had on change. For the purposes of this thesis, worker involvement and worker participation are differentiated: *worker involvement* concerns production process re-design, while *worker participation* refers to worker influence in management decision-making. Although worker involvement in production process re-design was available to all workers at MML, worker participation in management decision-making was restricted to the workers of influence, who acted as shop floor-level leaders and change agents. The differences between workers of influence as leaders and change agents and management as leaders and change agents was found in their respective levels of power, influence, autonomy and job control. These defined the boundaries of their operation and participation in management decision-making. While worker involvement in shop floor level change provided opportunities for workers to practice new skills and extend their influence, workers of influence were able to shift their boundaries of influence on management decision-making. They did this through their participation in management-employee committees, in particular the Consultative Committee, through access to information, or via the informal communication networks in the company.

Data were collected at MML during a move from traditional mass production to lean production. This was in response to a general move to new wave manufacturing technologies as described in Womack et al (Womack, Jones and Roos 1990). The elements of lean manufacturing were lauded in the industry: JIT manufacturing, kanban systems, minimal inventory, quick die-change, operator-controlled quality

systems aimed at zero defects, rework and scrap, operator control over production processes and team-based work organisation were the holy grail of management in the automotive industry at the time. At MML, the management spoke of 'working smarter not harder' and of sharing power, information and profits with the workers. However, the rhetoric and practice of lean manufacturing were different matters at MML. The MML management were unable to achieve their own objectives; they were willing to share information, they were able to devolve some power, they were often able to recognise the positive contribution made by employees, but were unable or unwilling to share profit via increased wages. The management chose instead to pay minimum award wages and supplement these with a variety of rewards and bonus payments that were dispensed as tools for behavioural control.

The company maintained an hierarchical reporting and command structure throughout the research period with power and decision-making being concentrated in the management. Nonetheless, there were some significant shifts in the boundaries of worker power. Workers of influence at MML played an active role in acting in an empowered manner and accepting increased levels of autonomy and control. They used a range of actions to help shift the boundaries and therefore change the shape of the organisation. These actions were: demonstrating trust in and respect for management, accepting increased power, using information wisely, introducing new ideas at policy level, maintaining solidarity amongst workers, being persistent, 'talking up' the company, acting back stage to caucus opinion away from formal meetings and acting as a corporate conscience.

Despite the deficiencies in the implementation of lean manufacturing at MML, the experience was that the power of the workers of influence was extended through lean manufacturing and there were increases in autonomy and job control. This research demonstrates that worker power, autonomy and control can develop and persist in an atmosphere of trust, openness and generosity; but finds that the relationship between management and the workforce is not static. Thus, it is important to consider the context and shifting relationships between management and workers. Towards the end of the research period at MML, there were changes in the parent company and in

the external environment that influenced the relationships between management and workers. As part of wage negotiations at that time, worker involvement in process changes was made mandatory rather than voluntary; this was accompanied by a subtle shift to a coercive and controlling management style where trust, openness and generosity deteriorated. Subsequently, workers under the leadership of the workers of influence, used their power and autonomy to withdraw from process improvement projects and the benefits to the company of lean manufacturing declined – to the chagrin of the management. Despite the changes in the relationship between management and the workers, workers of influence continued to hold the power invested in them by their peers. They continued to attempt to participate in management decision-making although their contribution was less well accepted by the new style management at the end of the research period.

In much of the literature, shop floor workers are portrayed as passive participants in or active resistors of organisational change. In providing evidence of the ways in which some workers engage in change in an active and influential manner, this research identifies and opens up an important area of study with implications for theory, literature and the implementation of planned interventions in organisations.

# Statement of originality

**Workers Changing Work: The Influence of Worker Power**

A longitudinal case study analysis of workplace change at Moving Metals Limited

Verna Lesley Blewett

This work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text.

I give consent to this copy of the thesis, when deposited in the University Library, being available for loan and photocopying.

Verna Lesley Blewett

25 August 2000

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# Abbreviations

The following abbreviations are used throughout this thesis.

| | |
|---|---|
| **ACPL** | Automotive Components Pty Ltd |
| **ACL** | Australian Company Limited |
| **AMCS** | Australian Manufacturing Council Secretariat |
| **AWIRS 95** | 1995 Australian Workplace Industrial Relations Survey |
| **CAL** | Car Accessories Limited |
| **CEO** | Chief Executive Officer |
| **CIP** | Continuous Improvement Program |
| **DIR** | Department of Industrial Relations |
| **EA** | Enterprise Agreement |
| **EB** | Enterprise bargaining |
| **EPC** | Engineering Production Certificate |
| **FAPM** | Federation of Automotive Products Manufacturers |
| **FIMEE** | Federation of Ironworkers, Manufacturing and Engineering Employees |
| **HIM** | High involvement management |
| **HR** | Human resources |
| **HSR** | Health and safety representative |
| **JIT** | Just-in-time |
| **LPI** | Labour productivity index |
| **LTI** | Lost time injury (defined as an injury which results in the worker being absent for at least a complete shift) |
| **MEWU** | Metal and Engineering Workers Union |
| **MML** | Moving Metals Limited |

| | |
|---|---|
| **MRP II** | Material Requirement Planning II (computer-based system for tracking materials in the factory |
| **NVA** | Non-value added |
| **NWM** | New wave manufacturing |
| **OD** | Organisational development |
| **OHS** | Occupational health and safety |
| **QA** | Quality assurance |
| **QCs** | Quality circles |
| **QDC** | Quick die change |
| **QWL** | Quality of working life |
| **RDO** | Rostered day off |
| **SBU** | Single bargaining unit (for the purposes of enterprise bargaining) |
| **SPC** | Statistical process control |
| **SOP** | Standard operating procedure |
| **STS** | Socio-technical systems |
| **TAFE** | Technical and Further Education |
| **TQM** | Total quality management |
| **US or USA** | United States of America |
| **VA** | Value added |
| **WCM** | World competitive manufacturing |
| **WIP** | Work-in-process (inventory) |

# Prologue

In early 1988 I visited the suburban factory of Moving Metals Limited and was confronted by a bank of 300 tonne presses clanging in the early afternoon busy-ness. In many respects, the sight was little different from other machine shops I had visited; there was the same noise and the familiar smell of oils and metals that accompanies the metals industry. Plants of this kind are often drab and dark in congruence with the noise and smell, but here the presses were resplendent in fresh, bright blue paint, bright yellow guarding and red painted danger areas. The shop floor was clean and tidy and the yellow lines used to delineate 'no-go' areas were respected. But most noticeable were the press operators. In many Australian machine shops, press operators were regarded as loners and generally uncommunicative. However, here they not only greeted me, but also engaged in friendly conversation.

By the time this visit took place, the company was four years into an overhaul of its operations. In late 1985, a new Plant Manager had been appointed with a mandate to renew the fortunes of the company. At the time of his appointment, the factory was regarded as typical of many Australian manufacturing enterprises, run on autocratic lines with workers who "knew their place and were kept in their place" [1]. The atmosphere was unhappy and there were unsubstantiated rumours (expressed later by both shop floor people and the local management) that the work done by the plant

[1] From interviews with workers during a period of participant observation in July 1991.

would be transferred interstate to other divisions of the company. Prior to 1986 the plant had been operating at a loss for some years and this was clearly unsustainable.

From 1986 to the beginning of 1994, the company went through a complex process of organisational change. Some of it was planned; some of it was unplanned and in reaction to external and internal events. In the beginning the process was not governed by specific long-term objectives, but rather by short to medium term goals, which tended to compete for attention. In this thesis, the process by which change initiatives were shaped by shifting contextual conditions and the role of worker-level change agents is examined while reporting on a longitudinal case study analysis of Moving Metals Limited.

# Chapter 1
# Introduction

## Purpose of the study

This thesis investigates the manner in which a distinct group of worker-level change agents (termed *workers of influence* and defined below) affected the generation and implementation of change and the change process in an organisation undergoing planned change. The data for the thesis were grounded in and generated through an intensive, three-year, longitudinal case study of one organisation, Moving Metals Limited[2], hereafter called MML. The research examined the process of organisational change in the firm from multiple perspectives including workers, supervisors and managers. Other internal change agents were at supervisory or management level within the company. External change agents were consultants to the company and included the author who adopted both the role of consultant and researcher during the data collection for this thesis. As part of this investigation, the role of other internal and external change agents in the change process was examined, but their stories are not the focus of attention. Rather, a particular focus is placed on an identifiable group of workers who acted as leaders and change agents and who were central characters in the process of organisational change.

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[2] *Moving Metals Limited* is not the real name of the company. The name of the company, other companies associated with it, the names of all people and position titles in the company have been changed to preserve confidentiality. This is discussed in Chapter 2.

Within the literature, there has been a longstanding interest in managerial power relations and the way that certain dominant coalitions may form and influence management decision-making on change (Child 1972). This process of negotiated transactions is often portrayed as a political process involving shifting balances of power and interests within *management* (Pettigrew 1973). Proponents of this political perspective of organisational analysis draw heavily on the social action frame of reference in examining the way prevailing patterns of power relations reproduce and shape organisational structures (eg Burns and Rus 1979: 4). By focussing on dominant coalitions within management, little attention has been given in the literature to the place of those less powerful members of the organisation, the workers, as shapers of change processes. However, the data from this case study draws attention to a distinct non-managerial group who were able to influence the outcomes of change initiatives. These 'workers of influence' emerged as central characters in narratives from an in-depth case study analysis of change. Given that the category of 'workers of influence' is newly applied, a summary of this group follows. Further detail is applied to this description throughout the remainder of the thesis.

## Workers of influence

In an early study on management and organisations, Etzioni (1961: 90-91) pointed out that whether one holds a position of power and authority is not solely determined by the location of that person within a formalised organisational hierarchy. He identified *informal leaders* who, although they had no formal organisational power, were able to influence others through the consensus of their followers. This thesis builds on this early work using the findings from the case study data to develop criteria for identifying such informal leaders within an organisation.

For the purposes of this thesis, the term 'workers of influence' is proposed to name the distinct group of worker-level leaders and change agents that were identified at MML. The two dimensions used in identifying workers of influence in the case study are: firstly, individuals have some power vested in them by their peers in the

workforce and secondly, that they have access to the processes of management decision-making within the organisation. Put simply, workers of influence were individual shop floor level workers who had influence over others at various levels in the organisation, including senior management. Workers of influence were found in a wide range of non-managerial roles in the company and the data reveal that their role was an important influence on management decision-making. Despite their identifiable and important role in organisational change at MML, the workers of influence did not recognise themselves as a group and neither did the general body of workers nor the management. This category of organisational change participant was newly identified by this research following analysis of the data. Different categories of workers of influence became apparent and are called *representative, advocate* and *informal workers of influence*. Of a shop floor workforce of about 150 people at MML, about 20 workers could be identified as workers of influence at any one time. The tenure of workers of influence varied temporally and three categories were identified: *transient*, *short-term* and *long-term*. A taxonomy of workers of influence, supported by examples, is developed and discussed later in this thesis. A diagrammatic representation of their position in the organisation and a map of their power and influence is also presented. The strategies they used in shaping change are identified and this analysis is supported by examples from the data.

## External and internal context

### The case study company, MML

The workers who were the subject of this research, were employed by MML, a manufacturing division of a national, Australian firm, Automotive Components Pty Ltd (ACPL) (Guarded Reference[3] 1: 128). MML was located in one State of Australia while the Head Office and other divisions of the parent company were located in other States. Throughout the research period, MML employed an average

[3] The details of some references have been omitted from the thesis to preserve confidentiality. They have been provided to the examiners. Refer to the section on confidentiality in Chapter 2.

of about 215 people, a medium-sized manufacturer by Australian standards. The company produced metal components for each of the automotive assemblers in Australia. During the time of the research the company gained several export contracts and was moving towards a goal of 25% of its turnover being earned by items exported to North American and European customers.

At the commencement of this research in 1991, MML's operations consisted of a press shop with metal presses with capacity up to 600 tonnes and four main assembly departments with activities ranging from manual assembly to robotic welding. In addition there was a stores and despatch department, a tool-room, a maintenance department, an engineering and design department, a materials management department, a quality control department and a finance department. The organisational structure and factory equipment and layout had been stable for about four years.

The organisational structure in 1991 had come about following an overhaul of the company's operations that commenced in early 1986 following the appointment in late 1985 of a new divisional manager, Don Riddoch[4], whose task was to revitalise the company. At the time of his appointment, the factory was characterised by high labour turnover, high absenteeism, low worker morale and there had been many lost time injuries. Perhaps in keeping with the traditional management practices of the day, any form of worker consultation, involvement or participation was discouraged. Shop floor workers (interviewed by the researcher during a period of participant observation in July 1991) reported that in those days they came to work, 'parked their brains behind their machines, worked and went home'. There were expectations, amongst workers and management, of imminent closure and company records indicated that before 1986 the plant had been operating at a loss for some years.

[4] Not his real name. Refer to the section on confidentiality in Chapter 2.

From early 1986 to the beginning of 1994, MML went through a process of organisational change in response to events in the external and internal environments. Although management planned some of the changes, examination of company documentation and interviews with senior management revealed that until the company's involvement with the Workplace Change Program[5] in 1991, the change process was not governed by specific long-term objectives, but rather by short to medium term goals, which tended to compete for attention. The Workplace Change Program was a Commonwealth Government initiative aimed at improving the export capability of Australian industry through changes to management and manufacturing practices.

This thesis examines the impact that the workers of influence had on the changes that occurred at MML from March 1991 to March 1994. This period covers the lead up to and involvement by the company in the Workplace Change Program. The company's project for the Workplace Change Program, the 'Change Project', was formally pursued from February 1992 to March 1994, in accordance with a contract between MML and the Commonwealth Government (Guarded Reference 2). The Project the company pursued was developed during 1991 in consultation with management, worker representatives (both from within the plant and externally from the unions), government advisers and consultants. Thus, an agreed and pre-established framework for change was pursued between February 1992 and March 1994. The progress of the Change Project was subject to the regular scrutiny of a monitoring team appointed by and reporting to the Commonwealth Government.

The Change Project consisted of four overlapping stages as described in MML's application to the Workplace Change Program (Guarded Reference 3: 3) and discussed more fully in Chapter 3. In summary, the stages covered international benchmarking within the industry, the improvement of consultative mechanisms between management and employees, the provision of training to assist a move to

[5] Not the real name of the Program. Refer to the section on confidentiality in Chapter 2.

team-based work and significant redesign of the organisation and of specific jobs. At the time of the study, lean production (also called the *Toyota Production System*, *lean manufacturing*, or *lean production system,* terms used as synonyms in this thesis) and its many derivative forms were gaining in popularity in the automotive industry in Australia. Although the adoption of lean manufacturing was not a stated objective of the MML management during the initial development of the Change Project, it was re-interpreted in these terms later. That is, the Change Project became re-defined as the pursuit of lean production, albeit modified to suit the local conditions at MML. This subtle shift in organisational goals held ramifications for the workers of influence. The nature of MML's model of lean production and the impact of the workers on the re-defined Change Project are discussed later in this thesis. Thus, the Change Project, its nature, progress and outcomes, provided the internal context for the study.

### The Workplace Change Program

In 1991 the Commonwealth Government, having reviewed earlier reports on Australia's international performance, recognised that there was a 'gradual decline in Australian productivity and quality standards relative to international competition' (Department of Industrial Relations and Australian Manufacturing Council 1992: 3). It determined that there was a need 'for a concerted effort to improve productivity and competitiveness' (Department of Industrial Relations and Australian Manufacturing Council 1992: iii) in Australian manufacturing. The Workplace Change Program was part of the government's strategy to bring about these changes and the program was described as a 'major plank in the Government's efforts to improve [Australia's] competitiveness' (Guarded Reference 4: 1).

The external context, within which workers of influence acted in the company during the time of the research, was dominated by MML's involvement in the Workplace Change Program. Significantly, the company's Change Project, being awarded a Commonwealth Government grant of over $400,000, was subject to financial audit

as well as monitoring of the change process by the Commonwealth Government. This was seen as a means of 'keeping the bastards [the management] honest' as one Shop Steward commented to me during the application process in mid-1991. That is, the Workplace Change Program was seen by workers to provide an opportunity for a different type of organisational change than had been experienced before; one in which worker participation in management decision-making would be not only sanctioned, but also *required* by a powerful, external authority (the government) that provided financial support conditional on successful implementation of the Change Project.

The Workplace Change Program was important to the change process at MML and contributed to the context for change. However, the Program itself is not the focus of this thesis and no attempt has been made to analyse or assess it. Thus, discussion about the Workplace Change Program is restricted to those elements that provided part of the context for the internal changes that occurred at MML. This impacts on matters of confidentiality, as discussed later in this chapter.

## Lean production

Lean production is one of the new wave manufacturing (NWM) concepts which have attracted much attention in the manufacturing sector in recent years, along with World Class (or competitive) Manufacturing (WCM), Total Quality Management (TQM) and Cellular Manufacturing (Storey 1994: 1-3). First coined by John Krafcik, lean production refers to a manufacturing system where 'multi-skilled workers ... use highly flexible, increasingly automated machines to produce volumes of products in enormous variety' using just-in-time (JIT) production combined with low work-in-process (WIP) inventory and employing quality management techniques aimed at producing on time and with zero defects (Womack, Jones and Roos 1990: 13-14).

The elements of the ideal of lean production, according to Jones (1992), include the devolution of responsibilities to shop floor employees, the organisation of shop floor

employees into teams, continuous improvement involving employees, the use of visual controls and the use of JIT to eliminate WIP inventory and associated waste (Jones 1992: 195-196). These concepts build on the ideas of Ohno (1988) and his Toyota Production System where the concept of JIT meant that 'the right parts needed in assembly reach the assembly line at the time they are needed and only in the amount needed' (Ohno 1988: 4). Such a system running with a flow process of production means a very reduced WIP inventory can be maintained. To maintain such a system requires close and cooperative relationships with suppliers and customers as Cooney observes (1999: 44). Other characteristics of lean production include a focus on quick die change, zero defects, total quality and self-inspection of work by production workers (Harmon and Peterson 1990: 9; Morris, Munday and Wilkinson 1992; Dankbaar 1993: 16). According to the proponents of lean production, this 'innovative production system' which 'combines the advantages of craft and mass production' will 'change everything in almost every industry' (Womack, et al. 1990: 12-13). However, even these enthusiastic supporters of lean production foreshadowed some of the criticism that would be levelled at this system once in operation in Australia. They predicted that shop floor workers under lean production would find their jobs more challenging, more stressful and that carrying more responsibility and control would produce 'anxiety about making costly mistakes' (Womack, et al. 1990: 14).

Critics of lean production have focused on exactly these issues as being significant for workers but also observe that far from being multi-skilled, workers perform a wider range of prescribed and simple tasks that are even more fully defined and intensified than under traditional mass production technologies. They suggest that this leads to greater job insecurity and the undermining of the collective action of unions (see for example Kriegler and Wooden 1985; Badham 1991; Jürgens 1993b; Parker and Slaughter 1994; Baird and Lansbury 1998; Niepce and Molleman 1998).

At MML the introduction of the 'ideal type' of lean production was not possible, although the management was impressed by the concept of lean production. In the first instance, the senior management were unimpressed with the implementation of

lean manufacturing they had seen during visits to the United States of America (USA). A benchmarking visit to Japanese transplant firms in rural USA, described as 'greenfield' sites, left the senior MML managers with a poor view of the practice of lean production. They reported seeing employees, called 'associates' and wearing company baseball hats, working 'shoulder to shoulder like automatons' and did not want to reproduce such systems at MML because they regarded these workplaces as 'unpleasant health hazards' (File 1, 1992: 73). It was not until a later visit to the USA that they saw a model of lean manufacturing that they believed could be emulated at MML. There were also limits on the capacity to change the production system to lean manufacturing. For example, MML could not use a purely 'flow through' production system because of the limitations of suppliers and customers. With customers and suppliers interstate, deliveries were necessarily made to and from the plant in batches. Attempts to increase the frequency of supply and reduce the size of batches made the company increasingly subject to delays because of freight disruptions. Further, lean production was not put in place in Australian motor vehicle assemblers in a homogeneous manner (Cooney and Sewell 2000) and each assembler made individual demands on MML to bring the company into line with their own methods (for example, the Ford Q1 system). Finally, successful implementation of JIT depended on being able to make quick die changes (QDC). Although this was considered highly desirable at MML and a management – employee QDC Committee was established to assist the process, ultimately the capital expenditure needed to bring old plant to a point where QDC was possible was out of reach. These competing demands caused MML to retain some of their non-lean methods of production and attempt to integrate them with lean production methods in order to reap the promised rewards of lean manufacturing (Womack, et al. 1990: 13).

## Using lean production

The thrust of the Change Project was for MML to move towards being internationally competitive on the basis of its established performance indicators,

which included export market achievement. Management considered that the path to this outcome was the uptake of a 'best practice' approach – that is, attempting to build the company as the best in its class in all aspects of management; 'leadership, planning, people, customers, suppliers, the production and supply of goods and services and the use of benchmarking as a learning tool' as summarised later by Rimmer et al (Rimmer, Macneil, Chenhall, Langfield-Smith and Watts 1996: 20). During the development of the Change Project, in mid-1991, the thinking of the MML management was greatly influenced by the then recently published book, *The Machine that Changed the World* (Womack, et al. 1990). So impressed was divisional manager, Don Riddoch, that he purchased twelve copies of the book to be circulated amongst the managers and Shop Stewards in the company. Initially the company's 'best practice' performance measures were based on data obtained from the authors of the book, although they were of limited relevance being measures used by automotive assemblers, rather than components manufacturers. Nonetheless, the promises of lean production as expounded by Womack et al were attractive to management:

> ... half the human effort in the factory, half the manufacturing space, half the investment in tools, half the engineering hours to develop a new product in half the time ... half the needed inventory on site ... many fewer defects and a greater and ever growing variety of products (Womack, et al. 1990: 13).

Management saw lean production methods as the route to the achievement of best practice, but recognised that they would need to use practices different to those they had observed in the US. Management understood that to introduce this style of manufacturing operation would require new levels of cooperation throughout the organisation; the development of teams, increasing job control for highly-trained, multi-skilled workers, a flattening of the organisational structure and significant changes in production methods and production control (Womack, et al. 1990: 14). The benchmarking efforts by the company were thereafter focussed on examining other automotive components manufacturers using lean production systems to establish how best the processes might be introduced to MML.

During 1991 there was enthusiastic and uncritical acceptance of lean production systems as the path to best practice within the automotive components industry in Australia, at least at management level. The critical interest of academics, researchers and trade unions in the work of Womack et al had not yet reached the ears of practitioners. Indeed, the Federation of Automotive Components Manufacturers sponsored a benchmarking mission to the USA in December 1991, with the explicit intention of examining lean production systems in operation so that they could be implemented in Australia; Don Riddoch participated in this mission as the MML representative. Later MML was to develop a close association with one American company which acted as a 'benchmarking partner' and mentor for the introduction of a form of lean production. This move and its consequences are discussed later in this thesis. By early 1992 lean production was selected as the framework for organisational change in the organisation. Thus, the Change Project was moulded into this new framework, although in February 1992 there was no clear methodology for its implementation at MML. In summary, the Change Project was re-built on the promises of lean production, although the knowledge of how to introduce lean production systems and the implications of this move were not, at the outset, well understood by either the management or the shop floor. Within the story of the implementation of the Change Project can be found the narratives of the workers of influence, who were to have impact on shaping the implementation of the Change Project.

## Potential effects of lean production

Womack et al (1990: 14) identify that a rise in worker anxiety could be expected to result from the increase in responsibility and control that was levied on workers as an outcome of lean production. Other authors (Badham and Mathews 1989; Jürgens 1993b) suggest that the new production systems, such as lean production, result in a decline in control rather than an increase because such systems incorporate tighter controls on worker activity, an intensification of work and a decrease in the collective bargaining power of workers. At MML in the early stages of lean

production worker control increased, but in the last stages of the research this position had reversed, as is discussed later in this thesis. The effects of a decline in worker autonomy and job control have implications beyond the scope of this thesis, but nonetheless they provide a further reason for pursuing research such as this.

A growing body of literature provides evidence that job control has consequences for long term health. Karasek's study of job control in white-collar workers in Sweden demonstrates a clear link between increased job control and lower health risks. He concludes that 'increases in job control are suggestive of such strong ameliorative effects that participatory change processes might be instituted to reduce illness and health care costs *for their own sake*' (Karasek 1990: 182 – original emphasis). Similarly, the findings of the British Whitehall II study indicate that the risk of coronary heart disease is significantly elevated by low job control with an odds ratio[6] of 1.93 compared to high job control. The researchers conclude that 'low job control in the work environment contributes to the development of coronary heart disease among British male and female civil servants' (Bosma, Marmot, Hemingway, Nicholson, Brunner and Stansfeld 1997: 564). (See also Marmot, Bosma, Hemingway, Brunner, and Standsfeld 1997a; and Marmot 1998).

Occupational stress is identified as a key mechanism by which low job control leads to adverse health outcomes and a number of authors have examined this relationship. Aronsson reports on Scandinavian research which establishes that autonomy mitigates the expected stress reaction to higher workloads (Aronsson 1989: 462). Houben examines the ways in which control systems such as socialisation, allocation of resources, direct production control, sanctioning of deviations and power

[6] The odds ratio (OR) is an estimate of risk used in epidemiology. It is an approximation of relative risk (risk to the exposed/risk to the unexposed) for a case-control study (as opposed to a cohort study). It is used to approximate the risk of a rare condition, which is most often the subject of case-control studies. The Whitehall II studies were case-control studies. The odds ratio is interpreted as follows:

OR = 1; no association

OR < 1; protective effect

OR > 1; contributory effect.

development affected the development of chronic stress in enterprises (Houben 1991). Peterson (1994) describes the effects that management control at different levels can have on increasing stress. Control over job design, organisational structure and culture as well as control over the external environment of the enterprise can have significant consequences for stress in the workplace (Peterson 1994: 512-513).

Söderberg (1989) identifies three different sources of stress that arose in the process of change from a functional, hierarchical organisation structure to a 'multi-functional, flexible' structure with a short planning period and limited worker input. The pressure of uncertainty arose during the investigatory stage when people did not know what would happen to them and felt they had little influence over the course of events. The pressure of adjustment in the new organisation where people,

> ... tried to find their niche in the new organization, adapt to the new groups, get to know their new workmates and supervisors, new forms of cooperation and for many, to greater or lesser degree, new job tasks (Söderberg 1989: 7).

Finally, the pressure of overloading was apparent when the new organisation was established and many workers found their workloads too great and their deadlines too demanding (Söderberg 1989: 6-7).

At MML, the first type of stress was minimised because of the participatory model of change and the significant, action-based introductory training. This helped to reduce the stresses of adjustment associated with team formation because workers were already equipped to deal with some of the issues as they arose. However, the final source of stress, overloading, was very apparent in the later part of the research period.

The British Whitehall II studies indicate that it may take some time for the health effects of low job control in the workplace to show ( Marmot and Theorell 1988; Bosma, et al. 1997; Marmot, et al. 1997a; Marmot, Ryff, Bumpass, Shipley, and Marks 1997b; Marmot 1998; Theorell, Tsutsumi, Hallquist, Reuterwall, Hogstedt,

Fredlund, Emlund and Johnson 1998). Although the workers of influence identified problems for workers in the operation of lean manufacturing in mid-1993, these could not have been expected to be reflected in health and safety statistics within the life of the research.

Increasing job control as a strategy to control the immediate risks of work is relatively well accepted (Quinlan and Bohle 1991; Worksafe Australia 1995; Hale and Hovden 1998; Shannon 1998). Simard and Marchand reported that,

> the workers' autonomous capacity to take initiatives and to exert pressures for safety at work is an additional factor of major importance for effectiveness in occupational safety (Simard and Marchand 1994: 183).

As this research reveals, increasing job control impacts positively on the way workers approach work and deal with problems. However, it seems that half-measures to improve the power, influence, autonomy and job control of workers may be not simply inadequate, but actually deleterious to their long-term health. MML was a firm that prided itself on its fine occupational health and safety (OHS) performance. If the information about the health effects of workplace control had been available to the MML management and the workers of influence in early 1992, it may have had a positive impact on the implementation of lean manufacturing in the company.

## Conceptual framework

The external and internal contexts described above defined the boundaries for this examination of the process of change at MML. In examining the change process, issues of power, influence, autonomy and control in the workplace emerged as critical. These affected and helped delineate the boundaries within which the workers of influence participated in management decision-making and were involved in the discovery, definition and implementation of new work practices. For the purposes of this thesis, the terms 'involvement' and 'participation' are differentiated. *Worker involvement* refers to the influence of workers over changes in production and

operational processes that occurred in their local, departmental area. Under lean production, worker involvement was theoretically not only available to all workers, but also expected of them. *Worker participation*, on the other hand, refers to the influence that workers had on decision-making at management level. This was open only to a small group of workers, identified in this thesis as workers of influence.

*Power*, refers to the ability to exercise influence and bring about change in one's environment, (French Jr and Raven 1959; Pierce and Newstrom 1995). The capacity of certain workers to use power, as workers of influence, was important in shaping change in the organisation. They were able to do this through two forms of power: empowerment and autonomy. The term empowerment is used in this thesis as 'the re-distribution of decision-making power to those who do not currently have it' (Cunningham, Hyman and Baldry 1996: 144) and the derivation of this definition is discussed later. Autonomy, a concept with a history dating back to the work of Trist and Bamforth in the 1940s (Trist and Bamforth 1951), is the power that people have to control aspects of their job; autonomy is exercised as job control.

The literature on leadership, change agency and worker participation provides the background for the description of workers of influence as leaders and change agents in their own right. They displayed the same characteristics and actions as leaders and change agents higher in the hierarchy, albeit modified by the lesser power and autonomy that they held in comparison to managers. The workers operated within the rules provided by the introduction of lean production at MML. But as Cooney (1999: 272-273) identified, lean production is not a universal concept; lean production systems have been subject to local variation to achieve different ends. The version used at MML was based on the idea of a 'principle-centred leadership' style as defined by Covey (1989). Strong worker participation and involvement were an expectation of this version of lean production and there were, therefore, opportunities for an increase in the power and autonomy of workers. The workers who took advantage of this to maximise their level of influence through involvement and participation were the workers of influence. The data revealed the strategies that

the workers of influence used to exercise this power and autonomy to influence the changing shape of the organisation.

## Conducting the research

This thesis is grounded in the experience of MML from March 1991 to March 1994 covering the lead up to MML's involvement in the Workplace Change Program as well as the period of the Program itself. MML's initial application for the Program was lodged in July 1991, the award of the grant was announced in October 1991 and the contract between MML and the Commonwealth was signed in December 1991. The contract between MML and I was signed in January 1992 and work on the Change Project commenced in February 1992.

The historical context for the changes that occurred between 1991 and 1994 was provided by data from earlier periods. Such historical data were vital to a processual research approach (see below) as it provides the temporal context of change. Some of this information came from the recollections of interviewees who had worked in the company for many years, other information was sourced from company documentation. In addition, my knowledge of the company has been used. This was gained during the period 1988 – 1990 through numerous visits made as a Senior Consultant with the State Workers' Compensation Authority, the state government agency dealing with OHS and rehabilitation of injured workers.

In 1991 I was able to use this familiarity to negotiate access to the company as a Research Associate on a research program examining influences on the adoption of TQM in Australian industry. I collected data in the company from February to September 1991 (see Guarded Reference 5). Data collection techniques used were semi-structured interviews, participant observation at management and shop floor level, attendance at company meetings, examination of company documents and the maintenance of a diary. Data were gathered from shop floor workers, union Shop Stewards, supervisors, coordinators and team leaders, local middle and senior management, head office management, customers, suppliers, employer and employee

association officers and officials in government agencies. With the permission of the company management and the Research Director, some of these data formed part of the materials used to prepare a dissertation for another degree (Guarded Reference 6) and further case studies (Guarded References 7 and 8). Thus, my observations of the company were from a range of different perspectives and arose from a variety of roles held during the period 1988 – 1992; as Senior Consultant with the State Workers' Compensation Authority, Masters degree candidate and Research Associate. No previously published materials or materials submitted for other qualifications concerns itself with the topic of this thesis, although these materials were drawn on in the preparation of the case study in Chapter 3.

The remainder of the research was conducted as a detailed longitudinal field study, using participant observation on site from 1992-1994. During this period I adopted the dual roles of unpaid researcher (PhD candidate) while engaged as a (paid) consultant to the company during the period of the Workplace Change Program. The conflict and synergies which arose in the simultaneous adoption of these roles is discussed in greater detail in the main body of the text. Data collection conducted during the course of the consultancy work consisted of participant observation, attendance at company meetings, examination of company documents and the maintenance of a diary and company files. Data were gathered across the whole company as well as from significant people outside the company. These included customers, suppliers, employer and employee association officers, other consultants, people from other companies involved in the Workplace Change Program and officials in government agencies.

A processual research strategy, concerned with the temporal, political and contextual dimensions of change, as described by Van de Ven (1987) and Dawson (1994a), was the main influence for the research method. The research approach was 'chosen to generate conceptual frameworks, not to test *a priori* empirical hypotheses' (Doz and Prahalad 1987: 65) and incorporated the author's dual role as consultant and researcher in the organisation from February 1992 to March 1994. The research questions were drawn from the data using a grounded theory process as described by

Strauss (1987) rather than defining and testing predetermined hypotheses. The research process that was developed, employed qualitative action research techniques, aimed at providing data about the change processes, while at the same time contributing to and influencing change as described by Argyris et al (Argyris Putnam and Smith 1985) and Argyris (1995). As the research method used a combination of research approaches, the term 'processual action research' is coined as the descriptor of the research method and this is fully described in Chapter 2.

## Research questions

During the period under study, MML was involved in a range of different change programs; these were adopted in the context of changing management, market forces, external and regulatory environment and internal expectations. From the interviews and discussions during 1991, many on the shop floor perceived that the changes had been muddled and without direction until that time. The workers could see no coherent path or long-term vision for the company. Indeed, a similar view was expressed by some of the senior managers who considered that there was an element of selecting direction from organisational change ideas that "took the divisional manager's fancy" or were "flavour of the month" (executive interviews #1 and #4, 1991).

However, patterns in the practice of organisational change do emerge and suggest questions about the importance of the historical context, the influence of external factors, of power and politics within the organisation and the social environment. In analysing this context, it became evident that not one change program, but a range of change initiatives – that stopped and started, overlapped and ran in parallel – were important in the adoption of emergent programs including World Competitive Manufacturing (WCM), benchmarking, best practice, lean manufacturing and self-managing teams.

In examining the progress of various programs in the organisation, it became evident that certain workers played an important role in the generation, adoption, implementation and outcomes of these programs. The research stimulated questions about these 'workers of influence' in an enterprise undergoing transition; namely:

- Who are the workers of influence?
- What actions do these workers use to influence organisational change?
- How are the boundaries of workers of influence defined, maintained or changed?
- Can these workers of influence be described as leaders or change agents?
- What are the roles of workers of influence in shaping processes of organisational change?

This thesis attempts to answer these questions, using the data from the longitudinal case study examination of the experience of workers at MML.

## Research process

The term *processual action research* has been coined to describe the nature of this novel research enquiry. This research method, fully described in Chapter 2, combines the features of processual research, examining processes over time and in the context of the organisation and the iterative cycle of action research concerned with intervention and implementation. The author funded the conduct of the research for this thesis, although a salary was paid to her through the Workplace Change Program

from February 1992 – March 1994[7]. Self-funding, particularly for work which involves considerable periods of time, implies that the researcher either has sufficient funds readily at hand to support the project, or that there is the potential to take advantage of other opportunities. In this instance, the nature of the research enquiry made it feasible to conduct what has been described in this thesis as *dual-role research*. That is, the data collection was undertaken (with the permission of company management) while the researcher was engaged in a variety of roles. In this era of shrinking research funding, this model of research process is put forward as a valid option and as a contribution to research methodology.

## Research content

Within the theoretical and research literature on organisational change, there is a body of work that deals specifically with the traits and expertise of those in organisations who are charged with managing change. The emphasis is generally on those with overt legitimate or positional power in the organisation, that is, the managers who, as leaders and change agents, direct change (see for example, Dunphy and Dick 1981; Kanter 1983; Pettigrew 1987; Buchanan and Boddy 1992; Wilson 1992) and this is discussed more fully in Chapter 4. A search of the organisational change literature suggests that relatively little has been written on the role of workers at the peer level within organisations, although Dunphy and Dick identified such people as 'organisational activists' (Dunphy and Dick 1981: xiii). Within the literature, people at shop floor level tend to be regarded as passive contributors, resistors or acceptors of change, rather than as active and influential participants in organisational change, or their place in organisational change is ignored altogether.

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[7] From February 1992 – March 1994 the author's consultancy income was predominantly from the Workplace Change Program through MML. Since that time consultancy funds from other projects have constituted the author's income and have been used in the preparation of this thesis on a part-time basis. No other income support was sought.

The importance of this research is in improving the knowledge and understanding of the role of people at shop floor level who have influence over others and who can either contribute to, or inhibit planned organisational change. The research also contributes to a broader understanding of the strategies used by workers of influence during planned organisational change. This may lead to improved management decision-making about when to include and exclude such people from the change process, or may alert workers of influence themselves to their potential for power and influence within their organisations. Finally, the work contributes to a broader understanding of organisational change in the Australian context.

## Applicability of the findings of the research

The thesis provides a detailed examination of the operation of one company. While no assertion is made about the general applicability to industry of the experience of MML, there are lessons to be learned from the knowledge gained in the company that might be adaptable and useful to other companies in Australia and elsewhere. These are discussed in the final chapter where recommendations for future research and practice are made.

## Notes on the thesis

### *Voicing*

As my role as consultant/researcher in the organisation was critical to the research method and because I was an engaged researcher, actively participating and intervening in the implementation of change at MML, I have chosen to depart from the neutral, third person format of academic writing and write parts of this thesis in the first person. At times I have used the present tense and active voice to reinforce the centrality of my role in the research and provide an immediacy that is lost when the narrative is told in the third-person passive voice and past tense. This approach avoids the possibility that the use of language could effectively hide, or obliterate my

involvement in the research, a risk inherent in the use of the third person and which could be construed as a deception (Webb 1992: 749).

### *Terminology*

The focus of this thesis is on the workers and workers of influence in the case study company, although the importance of the role of supervisors and managers is acknowledged. I have therefore sought to spotlight the workers in this thesis with specific language. Thus, the terms 'manager' and 'management' when applied generally to the data, refers to all levels of in the organisation with supervisory responsibility; leading hands, supervisors, middle managers and senior managers. When one of these levels is referred to explicitly, the specific descriptor is used (for example, senior manager, supervisor, or a specific position such as Quality Manager). The terms 'worker', 'workers of influence', 'Shop Steward', 'health and safety representative' and 'shop floor people' refer to people in the organisation with no supervisory responsibility and who were on the lowest rung of the organisational hierarchy.

### *Referencing the data*

Throughout this thesis, reference is made to data collected in the case study company. Some of these materials were written by me and some, by others in the company. It was all collected by me.

Material written by me was in the form of transcripts of interviews, notes on periods of non-participant and participant observation, diary notes and notes collected during meetings and files I maintained on the progress of the Change Project which was the subject of my consultancy to the company. These materials were accessed only by me and doubled as working documents for my consultancy, as well as research materials. Reports that I prepared on behalf of the company, which were generally accessible outside the company, are also referred to in the thesis. The nomenclature for the data is as follows:

*Transcripts of interviews:* The position or description of the interviewee and year of the interview is identified, for example: (from executive interview, 1991).

*Participant observation:* This is referenced in the form: (from notes on participant observation, 1991).

*Notebooks (diaries and notes of non-participant observations):* These were numbered consecutively from 1 – 12 and the pages numbered. Reference to these books in the thesis appear in the form: (Notebook 8, 1993: 67) in reference to Notebook number 8, entry from 1993, page number 67).

*Reports:* I prepared Quarterly reports on behalf of the company and the employees for the Commonwealth Government as part of the company's commitment to the Workplace Change Program. These were numbered consecutively from 1 – 11 and the pages numbered. References to these reports in the text appear in the form: (Report 3, 1992: 102) in reference to Report number 3, 1992, page number 102.

*Files:* Files were maintained on the meetings of the Consultative Committee, the Training Sub-Committee and the Benchmarking Committee, on the progress of the Change Project and for preparation of the quarterly reports. They contained drafts of minutes, final minutes and other miscellaneous materials, including reports and minutes from the QDC Committee and the Safety Committee. The files were numbered consecutively from 1 – 6 and the folios numbered chronologically (that is, from the back of the file to the front). Reference to these reports in the text appear in the form: (File 1, 1992: 172) in reference to File number 1, 1992, folio 172.

Materials that were produced in the company by other people are also referred to in the thesis. They have been treated as any other reference and appear in the bibliography unless this compromises confidentiality, in which case they are treated as described below.

***Confidentiality***

Due to the nature of the author's contractual obligations with MML and for ethical reasons, the real name of the company involved in the research cannot be disclosed. In order to do this reliably, the name and location of the company and names and positions of people involved in the research have been altered to preserve confidentiality. The names of other companies associated with the case study company and their personnel, have also been changed where this might compromise confidentiality. The names of the unions, employer associations and government departments, not being critical to confidentiality, have not been changed. During the course of the research, MML was engaged in a government-funded industry program that encouraged organisational change. To better protect the identity of the company, the name of the government program has been changed. Certain publications referred to in the text could reveal the company's identity. Where this is likely the references have been given coded reference numbers in the text (eg Guarded Reference 3) and they are omitted from the bibliography in the public version of this thesis. However, these have been listed on a separate sheet and provided to the examiners for the purposes of examination only. Non-disclosure of these details in no way affects the arguments proposed in this thesis.

***Assumptions, scope and limitations***

This work is about the role of the workers of influence at MML during the period under study. It does not include an assessment of the financial or other performance of the company during this time, neither does it attempt to assess the role of other players in the organisation except in as far as this is relevant to the role of the workers of influence. That is, while the roles of other internal and external change agents in the case study company are discussed, they are not the principal focus of this work.

Change programs come to the attention of senior management from a range of sources including government agencies, consultants, advertising and trade journals, magazines and by the word-of-mouth recommendation of their peers. The acceptance

of a change program by senior management may of itself provide opportunities for other ideas to find acceptance. In this way, the organisation may be shifted from one change program to another, all the time building on the experience of what has gone before. There may be benefit in this movement because the approach to new programs is tempered by previous experience so that mistakes are less likely and modification of the program to suit the individual enterprise is more likely. Whilst the researcher is aware of the significant role of senior management in the adoption of change programs, it is not considered in this thesis.

The literature on organisational change, worker participation, change agency, organisational power and politics and leadership has been reviewed as part of this thesis. In developing theory and preparing the literature review, only English language materials were accessed.

Data collection for this thesis was done by case study methods only. No attempt was made to collect quantitative data on the research questions or to quantify the claims made in this thesis, although quantitative data on the changes in the organisation (as supplied by the organisation) have been used from time to time. The emphasis, then, is on the 'situational and structural contexts' (Strauss 1987: 2) within and external to, the organisation.

The thesis examines the experience of MML from the period March 1991 to March 1994. Data collected about the period prior to March 1991 are used to set the context of the time under study. These data are in the public domain. Since data collection ceased with the end of the consultancy in March 1994, the author cannot describe or account for subsequent developments in the company. However, there has been limited, on-going contact with a few people who worked at MML during the period under study and some information from these people has been used in the final chapter.

## Structure of the thesis

This thesis is presented in eight chapters, including this introduction which provides a general overview of the research approach, the findings and their implications and introduces the concept of 'workers of influence'. Appendices and references are also attached. The research method is described in *Chapter 2.* The justifications for the choice of for the research method are given and the development of the processual action research method is described and discussed. The data collection process, including the assumption of the dual roles of researcher and consultant by the author, is described and explained. Finally, the important issues of validity, reliability and ethics are discussed.

As the main arguments in this thesis are grounded in the experience of one company, there follows, in *Chapter 3*, a case study of its history and the period of the research (March 1991- March 1994). The purpose of this chapter is to provide an overview of the external and internal context of the company, as well as a description and discussion of the chronological events in the company. Thus, the reader is introduced to the workers of influence in their organisational setting over time. Detailed excerpts from the MML data as well as stories are used as examples throughout the remainder of the thesis and refer to the events outlined in this chapter.

The concepts of leadership and change agency are developed in the following chapter, *Chapter 4*, with reference to the literature. These concepts are then applied to the data using narratives drawn from the data. There follows an examination of the literature to analyse issues about change agency and leadership amongst workers of influence. A taxonomy of workers of influence is proposed and discussed.

In *Chapter 5* the processes of worker involvement and participation are differentiated with examples from the literature and the data. Worker involvement and participation as they occurred at MML are discussed and the role of workers of influence in these processes is examined.

In *Chapter 6* the literature covering the concepts of power, influence, autonomy and control is examined and discussed and the terms are differentiated. Using the data and the literature in dialogue, an argument is developed which applies these concepts to the workers of influence at MML. A discussion about the importance of the concepts of power, autonomy and control to the ways in which workers of influence were able to shape change at MML follows.

A model of the flows of power and influence as they relate to the workers of influence in the organisation is presented in *Chapter 7*. The strategies that the workers of influence used to advance or hinder change at MML are identified and discussed.

The concluding chapter, *Chapter 8*, draws the argument together in summary and discusses the insights and implications of this research. The contributions to knowledge afforded by this research are also enunciated in this chapter and recommendations for future research and practice are presented.

## Conclusion

Amongst the workers in the case study organisation, which was undergoing planned change, a particular group of workers could be identified who had influence at all levels in the organisation. These workers were recognised as worker-level leaders and change agents by virtue of their election, by their peers, to representative or advocacy positions; others had no such formal power, but were invested with power based on their expert knowledge. None of these workers had any supervisory responsibilities. The term 'workers of influence' is proposed to collectively describe this group of workers. This thesis proposes a taxonomy of workers of influence and maps the actions that they took which allowed them to shape change in the organisation. This class of worker is under-represented in the literature on organisational theory and organisational change; in a sense they are 'lost leaders'. Therefore this thesis examines the literature on leadership, change agency, worker participation, organisational power, influence, autonomy and job control in relation

to the concept of workers of influence. This thesis provides evidence for the existence of workers of influence and for the importance of their role in organisational change and thus starts to close the identified gap in the literature.

# Chapter 2
# Research Strategy and Methods

*'... I had begun this experiment in a spirit of scientific detachment. I wanted to keep my feelings out of it, to be objective in my observations. But it was becoming such a profound personal experience, it haunted even my dreams.' (Griffin 1962:137)*

## Introduction

This chapter details the research strategy and methods used in the collection of new empirical data on the role of workers in the uptake of planned organisational change and discusses the theoretical framework for the research. The research methods detailed here were selected on the assumption that organisational change is a complex, dynamic *process*, rather than a smooth, step-wise transition from one state to another. Some old practices continue even under conditions of change, while simultaneously the change process stops and starts, that is, it is discontinuous. This is opposed to the view of organisational change as a series of stepped events that can be 'solidified' or 'frozen', as postulated by Lewin in the 1940s and developed by his followers in the intervening years; (Lewin 1952). It is also assumed that in the study of organisational change, there is value in 'qualitative longitudinal research which can compare and contrast changes in perceptions and expectations over time' (Dawson 1994a: 191).

The longitudinal, processual case study approach used in this research draws on the tradition of action research in its direct concern for intervention and implementation. Essentially, the iterative, consultative and participative techniques of action research were employed and serve to cast light on the development of process while at the same time steering process through active intervention and consultation. The research could therefore best be described as a form of 'processual action research'. This term is coined for this research and is defined later in this chapter. There is also a discussion linking the contributory elements of the method, processual research and action research. The choice of the data collection methods is discussed and it is argued that this choice was a valid one for this particular research because of the compatibilities between the dual roles that were adopted and because of the agreement of the organisation to those terms. Finally, questions about the female gender of the researcher and general ethical considerations are discussed.

## Case Study Research

### *Introduction*

The data for this research were collected in two stages between March 1991 and March 1994. During Stage 1 (The TQM Project), data were collected at MML in the period March 1991 to September 1991 while I was a Research Associate on an Australian Research Council funded research program examining TQM in Australia and discussed below. During Stage 2 (The Change Project), as a doctoral candidate, further data were collected from February 1992 to March 1994 while I simultaneously worked as the consultant coordinator of the Change Project for MML, funded by the Workplace Change Program. The nature of the Change Project and the funding arrangements through the Workplace Change Program at MML are discussed fully in this Chapter.

### *Research practice and data collection methods*

A variety of materials were used as data sources for this thesis. The choice of data collection methods reflected not only the research design, but also, the active

response to a series of opportunities and constraints, which emerged during the period of the research. For example, a spontaneous invitation from the Divisional Manager of MML was extended to attend a WCM workshop for the senior management as a participant observer in June 1991. This was an unexpected opportunity in a pre-arranged research program of semi-structured interviews, document viewing and analysis. On the other hand during Stage 1, the management were not prepared to allow direct workers[8] to be taken from the factory floor for interviews because of the potential slowing of production. This constraint presented the opportunity to arrange a period of participant observation as a direct worker on the factory floor across two shifts, in lieu of interviews, thus allowing contact with other direct workers. A constraint less easy to overcome was the blocking by the Divisional Manager of any access to the interstate-based, national managers during Stage 1 and at the beginning of Stage 2 of the research. However, access was eased by the middle of the first year of Stage 2, when a new Plant Manager in a top-level management restructure replaced the Divisional Manager.

Data presented in one format may have been incongruent with similar data presented in a second, different format, so third, fourth or more sources may have been sought to obtain a clearer picture of the data. For example, the detail of a decision as recorded in the minutes of a meeting may have been the subject of varying interpretations by the participants of the meeting. Obtaining a variety of participants' views on the decision provided different perspectives and insights into the varying contexts of the data that existed in the organisation. This technique is called 'triangulation' or 'multi-method research' and seeks to 'pinpoint the values of a phenomenon more accurately by sighting in on it from different methodological viewpoints' (Brewer and Hunter 1989:17) in an attempt to find consistent or congruent results. Provided the context of the data is retained, triangulation need not

[8] Direct workers do work that changes the product, such as pressing, welding, assembly, or painting. They are all shopfloor workers. Indirect workers are engaged in activities such as, maintenance, tooling, materials transport, materials control, employee deployment and other administrative tasks. Many indirect workers are also shop floor workers, although supervisors perform much of the indirect work.

be a mechanistic, trigonometric or reductionist method of data collection as is argued by Silverman (1993:152), rather it can add to the richness of the data by providing multi-layered and at times competing interpretations of events and activities.

***The two stages of fieldwork***

Both research stages were conducted on-site at the premises of MML during the period March 1991 to March 1994. Additional off-site data were collected through meetings and interviews with people from outside the company in order to gain insight into the external context of the company. These included government officers, union officials, officers of employer associations and customers and suppliers to MML. The entire period covers the lead up to the company's involvement in the Workplace Change Program (Stage 1 – The TQM Project) as well as the duration of the funding of the Change Project through the Workplace Change Program (Stage 2). It is supplemented with historical data from the period 1985 to 1991. In March 1994 my contract with MML concluded. In May 1994 there was a change of Plant Manager and changes in the interstate-based senior management. Following these changes I no longer had access to the Plant and thus there are no data available post-March 1994, apart from limited information given to me about the company during informal contact with MML people.

It has been said that 'in the conflict between the desirable and the possible, the possible always wins. ... The practice of field research is the art of the possible' (Buchanan, Boddy and McCalman 1988: 54-55). The opportunity to study MML in-depth came about essentially because I was in the right place at the right time, when it became possible to examine the processes of change within an organisation over time. In taking this opportunity, the research design was pragmatic rather than paradigmatic. That is, it was selected on the basis of what was possible in the circumstances given the short period of time available to make research design decisions, rather than a lengthy examination of competing research methodologies followed by a rationally negotiated decision. Stage 2 of my research occurred because it was possible to accept the opportunity when it was presented and,

importantly, because it was affordable since the offer was to enter the company both as a 'researcher' and as a 'consultant'. The opportunity to participate in a major, planned change undertaking and to simultaneously observe the process of change served the purposes of both employment and research. Thus, this processual action research study of MML was conducted from the position of a consultant concerned with intervening in the implementation of change and with contractual agreement from the company to use the information and experience as data for this thesis.

The amount of time spent in the company during the period February 1992 to March 1994 was significant; an average of 25 hours per week over the period of 26 months. In the first four months of the Project, I was on-site full-time (that is, about 38 hours per week), while in the next 18 months five days each week were spent on-site, although they were not always full days. In the last four months, as MML employees gradually took over my duties, my time in the plant reduced to about 12 hours per week spread over four days per week. This continuous and extended period of time in the company and immersion in its life meant that it became possible to understand working relationships, internal politics, workflow patterns, details of manufacturing and related processes and the events associated with the daily, weekly, monthly and annual operation of the plant. The method avoided the usual time constraints applied to longitudinal research (Dawson 1994a: 187) where there is a need to conduct iterative interviews or observations in discontinuous, snap-shot visits in order to gain an understanding of process in the organisation. Given the span of time covered by this case study, a timeline of events from June 1985 to May 1994 (Figure 1) is included below to set the framework for the detailed chronological description and discussion of themes that follows.

## Timeline of Events at MML

| | |
|---|---|
| June 1985 | • Company operates at a loss. |
| December 1985 | • Don Riddoch appointed as Divisional Manager and new management team appointed.<br>• Company faces an expected $A1.5 million dollar loss in June 1986. |
| January 1986 | • Divisional Manager starts process of 'management by walking around' which leads to regular conversation with selected shop floor workers who could be regarded as informal workers of influence. |
| March 1986 | • Works Committee established, comprising Divisional Manager, Human Resource (HR) Manager and two shop stewards (advocate and representative workers of influence).<br>• First health and safety representative (HSR) appointed, but appointment made by management.<br>• Safety Committee established with Divisional Manager, HR Manager and the HSR. |
| June 1986 | • Company almost at break-even point |
| August 1986 | • New Safety Committee appointed with HSRs elected by shop floor. |
| October 1986 | • Half-hour 'Safety Talks' introduced on factory floor. |
| June 1987 | • Company operates at small profit, which Divisional Manager attributes to savings from OHS initiatives. |
| mid-1988 | • Visits by shop floor workers to customer's assembly line. |
| 1989 | • Kaizen, Quality Groups attempted with limited success. |
| August 1990 | • Management conducts sensitivity analysis in preparation for worsening recession. |
| 1991 | • MML regarded as leader in the field of automotive components manufacture with reputation for quality and OHS. High use of statistical process control (SPC), good customer/supplier relations, cooperative IR. |
| March 1991 | • *VLB[9] commences Stage 1 data collection (TQM Project).*<br>• First EB negotiations commence. |
| June 1991 | • *VLB - participant observation on factory floor.* |
| July 1991 | • Management WCM weekend workshop (*VLB present*)<br>• MML submits application to Workplace Change Program.<br>• Divisional Manager reads about 'lean production'.<br>• Continuous Improvement Groups reintroduced with limited success. |
| September 1991 | • WCM workshop for middle management (*VLB present*).<br>• Second supplier seminar.<br>• *VLB completes Stage 1 data collection.* |

[9] VLB – initials of the author, Verna Lesley Blewett. My activities in this timeline are italicised in order to separate them from events in the company.

| | |
|---|---|
| October 1991 | • MML advised of success in initial selection process for Workplace Change Program.<br>• Works Committee established as SB for EB.<br>• *VLB commences preparation of final application and seeks agreement with management and employees on nature of her involvement in the Change Project.* |
| December 1991 | • MML awarded grant for the Change Project from the Workplace Change Program for period February 1992 – March 1994.<br>• Divisional Manager participates in 1st Federation of Automotive Products Manufacturers (FAPM) Benchmarking Mission to USA, including Car Accessories Ltd (CAL).<br>• Two new export contracts finalised. |
| February 1992 | • MML commences the Change Project.<br>• Consultative Committee formed<br>• EB Sub-committee (old Works Committee) starts serious EB negotiations<br>• *VLB commences Stage 2 data collection (The Change Project) and consultancy with MML.* |
| March 1992 | • Divisional Manager appointed to interstate position and Production Manager appointed as Plant Manager.<br>• 2nd Benchmarking Mission to US (management only). |
| May 1992 | • 3rd Benchmarking Mission to US includes elected shop floor worker. |
| June 1992 | • training sub-committee formed. |
| July 1992 | • CAL arrives at MML – 1st lean production training.<br>• Commencement of Lean Production training for whole plant conducted by CAL personnel. |
| October 1992 | • Continuous Improvement Program (CIP) implemented with payments for process improvements. |
| November 1992 | • Re-structuring at MML results in nine middle management retrenchments and the resignation of eight others. |
| August 1993 | • Second EB negotiations take place. |
| October 1993 | • Transfer Press Line commissioned. |
| March 1994 | • *VLB completes Stage 2 data collection.* |
| May 1994 | • New management appointed locally and in Head Office. |

Figure 1. Timeline of events at MML

***Stage 1 - The TQM Project***

By early 1991, I had some knowledge of MML and had met the senior management, Shop Stewards and health and safety representatives (HSRs) as part of the earlier work as a Senior Consultant with the State Workers' Compensation Authority. This familiarity enabled me to successfully negotiate access to the company from February to September 1991 as part of a national research project examining TQM in Australian industry. This project was conducted through the Australian Centre in Strategic Management at Queensland University of Technology and was funded by the Australian Research Council (Guarded Reference 9: 5). My task was to collect data on the use of TQM in several companies in Australia and write papers on the observed processes. Agreement was reached with the Research Director to use some of the data collected during the project, but not previously used in the research analysis, for this thesis. This thesis re-examines the data collected during the TQM research project. It does not re-present the material outside of the need to establish factual events in their historical context.

The following range of data collection methods was chosen for this research:

- In-depth interviews of company personnel. These were audio recorded and transcribed. All senior managers, supervisors, union Shop Stewards, HSRs, members of the Works Committee and members of the Safety Committee were interviewed. The list of those interviewed is contained in Appendix 1.
- Interviews with key personnel outside the company including three union Secretaries and several interviews with a representative of the Engineering Employers' Association. The list of those interviewed is contained in Appendix 1.
- A two-week period of participant observation on the factory floor occurred during July 1991. This enabled access to shop floor personnel

on both the day and afternoon shifts and the opportunity to experience the day-to-day workings of the company from the perspective of the shop floor. A diary of this period was maintained.

- A three-day period of participant observation of the management team was conducted in the context of an off-site, WCM training workshop conducted for the company by the State Centre for Manufacturing during 1991. A diary of this period and a WCM Workbook, provided to participants by the consultants delivering the WCM training, were maintained.
- Two days of participant observation of supervisors were conducted in 1991 while attending a WCM course conducted for the company by the State Centre for Manufacturing. A diary and WCM workbook of this period were maintained.
- Non-participant observation was conducted by attendance and note-taking at a range of formal meetings at the plant including: management, production, quality circle, Safety Committee and Works Committee meetings.
- Many informal conversations and discussions with employees and managers took place at the plant during work breaks and visits to the factory floor. These were productive sources of information given under every-day circumstances, where people disclosed commentary on the organisation, events of significance and particular key players in the organisation. Colloquially, there was considerable daily conversation shared with me, important in giving insight into company and inter-personal events. This is research in the category that Dawson has since described as 'researching-by-wandering-around' (Dawson 1994a:187), a

process of being physically present and being drawn into the life of the organisation, observing actions and engaging in informal discussion or conversation. As well as providing a rich data source, the informality of this research presence helped to build rapport between the researcher and the members of the organisation. These data were collected in notebooks that I maintained. The value of this type of data collection cannot be underestimated, both for the content of the discussions and for the effect it had on building rapport and trust between company personnel and the researcher. This was to prove valuable during the establishment and conduct of the subsequent stage of the research.

- Considerable documentation was made available by the company management including minutes of meetings, annual reports, planning documents, internal memos, manuals, the published history of the company, statistics, staff newsletters and internal reports. These provided background information on some events, allowed dates of events to be verified and gave a means of cross-referencing, or triangulating data collected by other means, with data which were essentially the recollections of participants or observers of events (Brewer and Hunter 1989:83).

Between October 1991 and January 1992 contact with the company was maintained, although this was largely for the preparation of the final application for the Workplace Change Program and for general administrative purposes, rather than contact that was research-related. Nevertheless, the contact provided a continuing opportunity to keep abreast of events at the plant and to continue talking informally to both management and shop floor people at the plant. This period included the company's annual four-week summer close-down during December and January.

***Stage 2 The Change Project fieldwork***

During the period of participant observation on the shop floor in July 1991, the Human Resource Manager (HR Manager) of MML requested assistance with the completion of an application for the Workplace Change Program. Subsequently, in consultation with and by drawing together the ideas and concerns of management, employees and unions, I prepared the expression of interest for the initial selection process, participated in the review of the company by the Commonwealth Government and prepared the final application. The Change Project that was submitted to the Workplace Change Program was a program of planned change consisting of four overlapping stages:

- Identification of appropriate international benchmarks and performance indicators for this industry;
- Design and establishment of effective and workable consultative mechanisms prepared by management, employees and unions working as a team;
- Re-design of the organisation and specific jobs to be conducted jointly by management, employees and unions; and
- Provision of training to improve the effectiveness of management and employees in a team-oriented environment (Guarded Reference 10).

In October 1991 the management of MML was notified that it had been successful in the initial selection process and was invited to submit a more detailed application. The management requested assistance in its preparation and further asked me to adopt the role of 'change agent' to facilitate the implementation of the Change Project should the application be successful. I agreed to take on the work with the following conditions:

- that the work was part-time;
- that the shop floor as well as the management agreed to my appointment;
- that my appointment was made on a consultancy basis; and
- that the experience and data collected were available to me for my doctoral research.

The company and its employee representatives agreed to these conditions and the final application was prepared and submitted. In December 1991, MML was awarded a grant for its Change Project, due to commence in February 1992 and a contract between the Commonwealth Government and MML was signed (Guarded Reference 2). Subsequently, a contract was drawn up and signed between MML and I, acknowledging the conditions we had agreed (Guarded Reference 11). My joint consultancy and research at MML commenced in February 1992 on a contract that lasted to March 1994, funded through the Workplace Change Program grant. That is, payment was made from a government grant with monies specifically budgeted for that purpose in the grant application, rather than from the finances or budget of MML itself. My contractual arrangements were made with MML, not directly with the Workplace Change Program. Thus, I was immediately accountable to the management of MML for my work. However, as the company was accountable to the Workplace Change Program for the progress of the Change Project and the use of the grant monies and I was responsible for the administration of the grant and was being paid through the grant, I was indirectly responsible to the Workplace Change Program and reported to it on a regular basis. The dual accountability helped me to retain autonomy as both researcher and consultant.

During the second stage, the research was based on participant observation and I spent an average of 25 hours per week at the plant engaged in activities that involved active contact with management and employees. I initiated or participated in many operational and consultative meetings as well as meetings which focussed on the progress of the change processes at the plant. There were also many informal discussions with individuals and groups about the changes at MML in which I

participated. Because of the length of time spent at the plant, I was drawn into the organisation and was soon considered a member of it both by people in the organisation and people outside it. Participation in social events and taking lunch and tea breaks with a cross-section of the members of the organisation, provided opportunities to gain insight into the change processes and the nature of the involvement of different individuals. Thus I was able to participate in, observe and influence the process of change in the organisation over time.

The observational and participatory techniques that were employed in the research were used overtly, with the agreement and cognisance of both the management and the employees in the workplace. This technique of overtly working in a company as a temporary member of the workforce is described by Dawson (1997) as a legitimate observational method. However, the difference in this case is that the researcher was known as a 'consultant' rather than as an 'employee'. Given that I was soon regarded as part of the organisation, as an 'MML person', by both employees as well as people outside the organisation, the importance to the research of the difference in title is perhaps an insignificant point. Instead, the congruency in the choice of method for the conduct of the research and the consultancy, is the vital point. Both as a consultant at MML and as a researcher undertaking processual action research, the skills of the 'reflective practitioner' as described by Schon (1983) were employed. That is, the capacity to:

- not intervene as a qualified expert who has the answers, but to facilitate the people in the organisation to solve their own problems;
- engage in the value system operating in the organisation as presented by different groups in the organisation (that is, to share in the goals, at least imaginatively);
- question and seek clarification about the goals and activities of the people in the organisation without invalidating them;

These capabilities were all demonstrated throughout the conduct of the consultancy and research and are referred to in this thesis.

The two years spent as a consultant/researcher within MML enabled access to the company at many different levels. Given the title of 'Change Program Coordinator' by the MML management, the consultancy-specific duties included:

coordinating the Workplace Change Program project;
liaising with and reporting to personnel from the Commonwealth Government;
administering the Change Project budget;
preparing the MML staff newsletter;
acting as secretary to the Consultative Committee;
participating in enterprise bargaining negotiations; and
leading the benchmarking team development.

I was involved in a wide range of formal meetings including management meetings, union-employer negotiations, Safety Committee, Consultative Committee, benchmarking, quality and production meetings. I was able to attend and participate in various shop-floor generated meetings such as team meetings, problem solving groups, employee representative meetings for the Consultative Committee and meetings of the elected HSRs. I was also able to fully participate as a trainee in the 'Lean Manufacturing' training (conducted by external trainers) and I took advantage of the opportunity to provide formal training in communication and presentation skills for some employees during the research period.

An office adjacent to the factory floor, rather than in the management suite, was made available. This was valuable as the proximity to the factory floor gave me easy, informal access to the production areas and employees easy access to me. As the editor/author of the staff newsletter I was able to engage many people in discussions about the changes in the organisation for reporting in the newsletter. After a few months of encouragement shop floor employees began to contribute their

own stories. From then on, about sixty percent of the content of the newsletter was copy contributed from shop floor personnel. Being at factory floor level made tea and lunch breaks in the employees' canteen easy and logical and this time was regularly spent in informal conversation with a wide range of employees. In this way I was able to build confidence and trust as well as tap into and observe the informal network of the company.

Throughout the two year period a diary of the work experience was maintained after the manner described by Turner (1988:109). The notebooks were an important data source for this thesis because, located in the company in the new role from February 1992, it became untenable to conduct further taped interviews since the 'consultant' role moved me within the organisational domain instead of being separate from it. From the perspective of a participant observer, the increased degree of engagement in the organisational activities was welcome, because it improved the capacity to appreciate the perspective of the various people in the organisation. Thus, conducting formal, audio-taped interviews (as was done in Stage 1), with people who had become co-practitioners in the process of organisational change, would have put an unwelcome spotlight on my 'outsider' status and would have had the potential to increase the sense of separateness from the organisation in the eyes of the organisational practitioners. Being considered part of the organisation was a desirable feature from both the consultancy and research points of view.

Acting as secretary to the Consultative Committee, detailed notes of formal meetings were taken, from which the minutes of these meetings were produced. Comparison of the notes and minutes has been used in this research and in the preparation of the case study detailed in Chapter 3. As the administrator of the Workplace Change Program grant, quarterly reports to the Commonwealth Government were prepared. These were exhaustive and frank records of the change processes in the company as they happened. Before being submitted to the Workplace Change Program each report was reviewed, amended where appropriate and agreed to by both management and employee representatives. Generally the management were not coy about disclosing information that might seem detrimental to their reputation and the

employee representatives were keen to ensure that the administrators of the Program were receiving an accurate assessment of events in the company, from their perspective. For the employees the reporting and monitoring process represented a safety mechanism that ensured that management acted in good faith. These interim reports are therefore important source documents of the change process in the company and can be seen as analogous to the 'working note' described by Hirschhorn (1988) and Miller (1993) as techniques of action research. The progress of the Change Project was subject to external monitoring and review by representatives of the government administrators of the Workplace Change Program, who also produced detailed reports. These reports are regarded as data sources and are drawn on for this research.

As a consultant practitioner, fully involved in the company, I had access to a wide range of documentation including current and historical statistics, minutes of meetings, reports and financial and non-financial performance data that were not formally available in the role of researcher during Stage 1, the TQM project. These data are used throughout the research to triangulate the data; that is, to cross-validate recollections of interviewees and the researcher's own experience (Brewer and Hunter 1989: 83).

Data sources like those described above are qualitative sources which are complementary to each other. Collectively they produce rich information (Cook and Reichardt 1979: 7-9). Such qualitative data sources, being expressed in words, 'have a sense of being undeniable and convincing to the reader; stories are concrete and vivid and full of meaning' (Miles and Huberman 1984: 15). The narrative form of the data used in this thesis, provides colour and meaning to the context of the changes that occurred at MML, as well as information about the substance of the change project and commentary on the processes that brought about change over time. Thus, the qualitative, narrative data gives insight at the meta-level of organisational change at MML as well as at the micro-level of the personal and political interactions that manifested as organisational change. It is this concern with the *context*, *substance* and *politics* of change and their *temporal framework*, that

comprises the processual approach to explaining organisational change (Dawson 1994a: 41).

## Processual research as a framework for data collection

'Change', says Dawson, 'is a complex and dynamic process which should not be solidified or treated as a series of linear events' (Dawson 1994a: 3). Processual research uses interviewing, non-participant observation, participant observation and document analysis, tools and data sources common to other forms of qualitative research and common to action research. The qualitative and longitudinal nature of the research provides data which explains the 'interconnected and dynamic processes inherent in everyday life' (Dawson 1994a: 186) in context and over time. Processual research is used in domains other than organisational change. For example, anthropologists Arnould and Netting (1982) describe a series of 'historical processual studies' (Arnould and Netting 1982: 574), longitudinal in nature and using archival and ethnographic data which consider households as processes. Monge et al (1984) write about the difficulties inherent in studying communication as process, while Harrison uses a processual approach in an 'explanation of union activity … among Israeli physicians' (Harrison 1994: 1201). The essential differences between the various qualitative modalities and processual research lies in the consideration of the element of time in the examination of the process of transition, the loss of the concept of the sequential nature of change and the adoption of the concept of non-linear and discontinuous change. Using this research method demands that change be regarded not as a series of sequential stages, but rather as a more fluid process where different histories and competing events can overlap and be accommodated in the story of transition. That is, organisations are 'studied "as-it-happens" so that processes ...[can be viewed]...over time and in context' (Dawson 1994a: 4).

Processual research is necessarily qualitative[10], longitudinal and (because it is concerned with the context of transition in terms of past, present and future) it is necessarily historical. That is, there is an emphasis on the value of historical data because the retrospective view may be important as a contributor to the development of understanding about the context of events leading up to the process under study (Pettigrew 1987: 332). In examining historical data, however, it is important to recall that the outcomes of events are known before the present investigation commences. Thus, the interpretation of historical events may colour the perception of future events. To obtain an understanding of how change occurs, as it occurs, the researcher will gain a view closer to the experience of the participants when the data are collected as it happens, over time and in the context of the organisation. Under these circumstances, the view of events is not encumbered by the prescience which comes with sole reliance on historical data or the reportage of others. In this research, I was in the fortunate position of having both knowledge of and some experience of, the history of the organisation which could be shared with people in the organisation. This gave me an understanding of the language used in the organisation, the people who worked there and some significant historical events which had ongoing meaning and symbolism in the organisation. Being physically present and actively engaged in the organisation deepened my capacity to not only observe, but also to experience the fluid changes in the organisation over time.

While processual research is observational, descriptive and analytical of organisational change processes, it is not concerned with stimulating action nor is it aimed at intervention or shaping change, although it may be interested in these processes (Dawson, private communication, 1999). While this thesis is concerned with describing and analysing certain aspects of the planned organisational change at MML using a processual research paradigm, the research was also concerned with the implementation of the Change Project and the concomitant interventions that

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[10] Although Hinings (1997:495) requests qualitative, processual researchers to 'be more catholic in their methodological tastes' so that the choice of qualitative or quantitative methods becomes a question of selecting the appropriate tool for the research, rather than a question of the defence of a particular philosophical position.

were required. Thus, the common techniques that have already been described, were used to study *process*, but were drawn from the toolbox of other qualitative research methods, such as action research which is concerned with both research and intervention, for as Kurt Lewin wrote, 'research that produces nothing but books will not suffice' (Lewin 1946: 35). The research method crosses boundaries and because of this, the new term 'processual action research' best describes the research approach that was undertaken. Inherent in this term are the concepts that the processes of organisational change were the foci of the research and that there was emphasis on an iterative, but non-mechanistic, process of implementation. In this regard, ideas were drawn from the realm of action research, but not rigidly adhered to. That is, the iterative cycle of planning, action and evaluation in collaboration with the participants in the organisation occurred, but not always in that prescribed order because events sometimes took place that inevitably led to an abandonment or disruption of the cycle of action research activity. Nonetheless, a brief discourse on the nature of action research is appropriate at this point in order to provide some of the theoretical underpinnings to the research method employed in this study.

## Action research

Kurt Lewin originally coined the term 'action research' in 1946 and his original description still underpins more recent descriptions of the method (Lewin 1946). Lewin defined it as a process of planning, taking action and then fact-finding about the results of that action in order to plan and take further action; an iterative pattern that can continue indefinitely (Lewin 1946). Action research has been reinterpreted by other authors since that time. For example, Agyris attempts to make the method more 'scientific' and 'rigorous' by introducing prescribed data collection techniques and attempts at repeatability and proposes the term 'action science' (Argyris 1983). Cummings and Huse describes action science as a subset of action research which focuses on helping organisations to discover new ways of operating in an essentially trial-and-error approach (Cummings and Huse 1989: 532). Gummesson, although he sees action science as a refinement of action research, tends to use the terms interchangeably (1991: 2) (a convention adopted in this thesis) and describes it as

'the most demanding and far-reaching method of doing case study research' (Gummesson 1991: 102). Whyte proposes the term 'participatory action research' to bring together ingredients from action research, the quality of working life (QWL) movement and the socio-technical (STS) framework as applied in social research in agriculture and industry (Whyte 1991: 7-12). Peters and Robinson (1984), in their investigation of the origins and status of action research, attempt to find the commonalities in the work of a representative range of self-styled action researchers in the social sciences (Peters and Robinson 1984). Like Argyris before them, they were unable to identify a 'unified "theory" or set of methodological principles' (Peters and Robinson 1984: 114) for action research amongst practitioners. However, they suggest the following criteria as generally accepted characteristics of action research:

> problem-focused, action-oriented, an organic (or cyclical) process, collaborative-participatory, ethically based, experimental, scientific, naturalistic, normative, re-educative, emancipatory, stresses group dynamics (Peters and Robinson 1984: 114).

Other practitioners since Lewin describe action research as a research paradigm in which both the researcher and the researched participate or collaborate in the research; a continuous, cyclic process of action, reflection on the outcomes of these actions to guide new actions and learning, all within an organisational context (Marrow 1969; Cartwright 1978; Israel, Schurman and Hugentobler 1992; Chisholm and Elden 1993). Importantly, the action researcher is involved in the research, viewing individuals' actions as taking place against and partially determined by, a social background. An essential role for the researcher is to discover the meaning that actors themselves give to events from their social context (Lewin 1946). Therefore, the researcher is actively engaged in the work. This involvement gives the researcher insights from the shared perspective of the researched, while both researcher and researched learn from each other and develop their competence (Gummesson 1991:103).

Based on Lewin's concept of action research, summarised succinctly by Argyris et al (1985), action research is defined in this thesis as a procedure in which the researcher

and participants of a social system are involved in a data collection process about themselves, using the data they have generated to review the facts about themselves, in order to take some form of remedial or developmental action (Argyris, et al. 1985:8-9).

The power of action research techniques lies in the participative and iterative nature of assessment, intervention and evaluation and in the emphasis on implementation. These factors were vital to fulfil the dual needs of consultancy and research in this study; that is, to enable observation to occur while participating in and influencing change in the organisation. An examination of the substance and politics of change over time (the processual approach) was made possible through action research techniques, which offer methods for learning about organisational change processes in the context of a busy and changing organisation where the priorities of the organisational participants are continuing to do business rather than participation in academic research.

## Action Research useful to both consultants and researchers

The power of action research, is that the researcher and the researched work in collaboration. As Weisbord puts it, 'those with a stake in the problem help define and solve it' (Weisbord 1987: 190). Action research is capable of dealing with complex, even whole-organisation change and is therefore a useful tool for both the researcher and consultant. Coghlan asserts that it is a valuable means of 'contributing to the knowledge of how organisations work and change' (Coghlan 1994: 119), while Weisbord sees it as a 'generic practice theory'; one that can be used by consultants in a wide variety of settings, including organisational and community environments (Weisbord 1987: 190). Gummesson summarises that action research 'always involves two goals: solve a problem for the client and contribute to science' (Gummesson 1991: 103). He goes on to recommend that the roles of academic researcher and management consultant should be adopted at the same time.

Given such a dual role, Gummesson (1991) asserts that during an action research project, the researcher/consultant and the participants in the organisation, should learn from each other and develop their competence. There must be a focus on the totality of the problem although it should be simplified enough to be understood by those involved. There should be continuous rounds of feedback between the parties involved in the project accompanied by continuous adjustment to new information and events. As action research aims to improve understanding about change, it is an effective planning tool for researchers and consultants to use during planned organisational change. Given that conflicting interests and values may be involved in a project (such as those of the management versus those of the union members), for action research to be a useful strategy, there must be an agreed and mutually acceptable ethical framework for the project. Such a framework was agreed for this research. Finally, understanding of the corporate environment and the condition of the business are essential when action research is applied in organisations (Gummesson 1991: 103-105).

From the experience of earlier action research practitioners, the use of action research tools in this research was appropriate, particularly given the role of the researcher as simultaneous consultant. The nature of action research supports the requirements and outcomes of the dual roles.

## Dual-role research: the consultant/researcher roles appraised

### *Dual-role research*

While the processual action research method developed in this research was a combination of elements from processual research and action research (see Pettigrew 1983; Pettigrew 1987; Bryman 1988; Buchanan, et al. 1988; Bryman 1989; Argyris 1995; Dawson 1997), the critical difference between this approach and other qualitative studies on the processes of organisational change, is the adoption of multiple roles over time during data collection. The case research required an iterative and holistic method of investigation coupled with intervention, which was able to incorporate the standpoint of both researcher and consultant (Gummesson

1991: 106). Over the period of the data collection, I was variously a research associate, post-graduate student and paid consultant. These roles were neither sequential nor discrete in that, during Stage 1, I was both a research associate and a post-graduate student and during Stage 2 I adopted the dual roles of researcher and paid consultant. The ethical issues arising from the research method are discussed later in this chapter. In reality, each of the roles had significant overlap which served to strengthen the basis of the data by allowing me to experience the differing views of the organisation over a prolonged period of time, this being a critical element of the processual research method. I was able to experience different ways of seeing the organisation from my various roles and also able to perceive the organisation from the perspective of different organisational players. As Dawson states, 'as familiarity with the work process and interviewees increases, so do the opportunities to observe and informally discuss workplace practices and opinions' (Dawson 1997: 396). Three years was a significant block of time to spend in the organisation and the dual roles gave familiarity with the workplace and its people from a range of perspectives and a high level of insight into many aspects of change, a position that Badham et al observe is significant (Badham, Couchman and Little 1995: 94). The position gave the opportunity to fulfil Riordan's requirement of organisational research: that the researcher 'has to enter into the culture of the organisation, so that she can speak its language, share its vision and so understand it as it reveals itself' (Riordan 1995: 7). As well as providing differing frames of reference on the organisation, people in the organisation had differing expectations of me, which in turn allowed me to have different glimpses of the organisation. For example, the Shop Stewards sometimes expected me to be a moderator and mediator in disputes which gave insight into the different sides of the various arguments and rifts that occurred in the company. (Sometimes I took this role and sometimes I deemed my intervention inappropriate). Whereas from time to time the plant manager used me as a sounding board for ideas or information that he did not want to share with others in the company, recognising me as 'independent' from it, allowing me insight into his influence and thinking.

The dual role of researcher and consultant provided two years in which to be physically present to both observe and participate in the process of change without the fetter and distraction of having to earn an income elsewhere. In this era of shrinking resources, such an opportunity for continuous observation would be rare for anyone employed outside the organisation under study (Dawson 1997: 393). Dawson laments the potential passing of the 'more time-consuming processual study' and its replacement with shorter case studies, due to international pressures to 'publish or perish' (1997: 403). Such studies, he suggests, may be plagued with methodological inconsistencies and short-cuts and may be incapable of producing the rich data that long studies can provide. Perhaps the dual role of the consultant/researcher is one answer to this difficulty because it can enable longitudinal studies to continue to occur. This is not to suggest that the combined role of researcher/consultant is the ideal. On the contrary, there are drawbacks; there is potential for conflict of interest and the collection of skewed data and there are issues about subjectivity and objectivity within the dual position. There are also positives: the opportunity to undertake longitudinal research with prolonged access and the relative ease of developing rapport within the organisation which potentially results in high quality data more likely to be unavailable to the researcher who merely visits the organisation from time to time. It is clear that these issues warrant further attention and they are discussed below.

## 'Engaged' or 'detached' researcher?

My participation in the change process at MML was conducted, with the compliance and agreement of MML's management and employee representatives, in the overt, dual role of consultant/researcher as described above. Employee agreement for participation in the change process was sought at a meeting between the Shop Stewards and myself in October 1991. As the Shop Stewards had been active participants in the preparation of the Workplace Change Program grant application, they understood the intended nature of this involvement. They were also familiar with me both from the Stage 1 interviews and from the period of participant observation in 1991, as well as from the time spent in discussion with them about the

Workplace Change Program grant application. Not only did the Shop Stewards endorse the appointment, but they also offered their support and encouragement. At least at shop floor leader level, there was commitment to the plans for change in the company and I was seen from the outset, by them, as a champion of that change. Acceptance of my role was not universal at shop floor level. There were many people with whom I had had little contact and, as I was to learn later, some other shop floor workers were suspicious about my appointment, seeing me as a possible 'management stooge'. Several of these people later confided that my actions were watched closely for some months until I had 'proven' myself.

My role in the organisation was to facilitate the process of planned change. I was to help the organisation establish better internal communication and consultation, to encourage participation by the workforce in decision-making, to guide the training effort and to assist in internal and external benchmarking. As a researcher I was rarely able to be a 'detached observer'; I was not able to withdraw from the action and observe from behind a one-way mirror or disassociate myself from company activity. Instead, in the action research tradition, I was engaged in the processes under study and was seen to be committed to the organisational outcomes by company members. My observations about the organisation, were therefore made from this partisan role.

Even so, during the 26 months of the Workplace Change Program my role in the organisation was different from that of the members of the organisation, that is, the MML personnel. They were employees and 'belonged' to the company; I felt separate from the organisation. Each MML employee had a clear place in the hierarchy and specific accountabilities; neither of these was clear for me. MML employees were on-site for specified periods of time; I was able to come and go at my own behest and I made it clear that I had other work responsibilities outside MML (although in reality these were very few and insignificant). This stance was supported by the salary arrangements. I was paid from the grant from the Workplace Change Program, not from the MML budget. In a sense I was 'free' to the company and this enhanced my capacity to be separate. As mentioned above, I had contractual

obligations directly to MML, but these were modified in their effect by the over-arching contractual obligations of MML with the Commonwealth Government, of which my role was a part. That is, I had accountability to both MML and the Commonwealth Government. The paradox is that after a few months I was seen as a 'MML person'. Unlike other (short term) consultants used by the company I was invited to participate in formal and informal social activities at both management and shop floor level. For example, when coffee mugs emblazoned with the company logo and a safety slogan were presented to all employees at a ceremony to mark a milestone in OHS, I was publicly included as a recipient. When speaking about the company at conferences or seminars I was invariably billed as being 'from MML'. By the end of my contract some shop floor people, hearing I was about to leave, assumed I was being retrenched and in commiserating with me asked me if I was getting a 'decent package', leaving me to explain again the finite, contractual nature of my work. So, the two positions, of belonging and not belonging, existed side-by side throughout the research period. From time to time, I would remind people about my researcher role and tell them I would not be available at particular times because I would 'be at the university'. It was useful to have the dual roles because they provided me with the opportunity to vary my stance by moving between the two positions in the organization from time to time; particularly in the first months of the project. For example, there were times when it was valid and convenient for me to adopt the role of researcher, implying, or even stating, that I could have no influence over a particular decision because 'I'm just observing this'. In essence, I used my 'researcher' title to project an image of my place as a detached observer; a perspective that is given value by the empiricist tradition and which was well understood in the engineering environment of the MML community as 'scientific'. The hermeneutic tradition gives value to the engaged participant and this interpretive role was well understood by MML personnel as my 'consultant' role (Riordan 1995: 7). In this role, I could ask otherwise unaskable questions, make suggestions about proposed action, facilitate discussion or even mediate in disputes. Riordan acknowledges such engagement as a means of providing 'no separation of value and fact', giving the opportunity to adopt the 'mindset and attitudes' of the participants in order to understand the world of the people in the organisation (Riordan 1995: 8).

Pettigrew (1987: 332), on the other hand, from the processual viewpoint, finds the value of such research as placing the researcher in 'real time' and real place; that is, in the same temporal and contextual framework as the observed. Both of these views are congruent with my experience and like Griffin (1962), cited in the epigram at the head of this Chapter, events at MML sometime contributed to sleepless nights and (not always pleasant) dreams for me. As my engagement with the organisation increased, so acceptance by the members of the organisation as one of them increased; the engaged attitude became easier to portray and the detached attitude less easy to assert as time passed and I 'melded into the scenery' (Bryman 1989: 145). The level of acceptance, particularly at shop floor level, was increased following a round of redundancies that occurred in November 1992, as this activity served to unite the members of the organisation who remained (and I was considered one of these) against the interstate-based, national management. The strength of the association was such that, since the conclusion of the contract and data collection period, several managers (who have left the company) and several shop floor personnel (still employed by the company) have maintained contact with me, thus enabling me to make the postscript to this thesis.

The dual role of researcher and consultant was fundamental to the conduct of the research. The consultancy gave me the capacity to be strongly identified with the company and to be engaged in the change processes in the organisation. The researcher role gave me observer status and the capacity to maintain a distance from the organisational activities. In combination, the roles worked well together, as congruent skills were required and techniques used.

## Ethical considerations

No ethics clearance was sought from the University of Adelaide Ethics Committee prior to commencement of the research because in the original research proposal submitted to the University it was accepted that no specific ethics clearance was considered necessary.

All informants involved in the research were assured personally of the confidentiality of their information prior to the conduct of formal interviews in Stage 1 and during the collection of data in Stage 2. Permission was sought and obtained from the management of MML to use written materials for this research (this being contained in the contract referred to above). As outlined in Chapter 1, in order to preserve confidentiality, the real name and actual location of the company is not disclosed in this thesis. For the same reason, publications that could reveal the identity of the company have been given code names in the thesis but provided to the examiners separately as already discussed. The names of individuals have also been changed and position titles and descriptions have been altered where their disclosure might compromise confidentiality.

In the preparation of this thesis, I was mindful of the need to keep information given by individuals confidential. However, this is balanced against the need to use such information to make useful comment. The response to this dilemma has been to use information where appropriate, while avoiding specific or implied links to particular informants. Informants gave informed consent to participate in interviews and other interactions and gave information on the basis that they would not be identified and that no harm would come to them arising from this thesis (Kellehear 1989: 63). The passage of time, the management changes in the organisation following the completion of data collection and the suppression of the company name and other pertinent details, also serve to protect those individuals who remain in the company from any implicit threat posed by this research.

Some information used in this thesis is on the public record in published form. Reports to the Commonwealth Government were prepared for limited distribution and were used within government departments for the preparation of general reports about the Workplace Change Program. Other written information, such as minutes of meetings, internal reports, memoranda and notices, were prepared for use only within MML and these have been used with permission. Field notes were prepared for my use only and only I have used them in order to preserve confidentiality.

The minutes of the Consultative Committee, important source documents for this research, routinely included a summary of discussions and the decisions reached or other outcomes. The minutes were addressed to members of the Committee but were widely disseminated, being made available to all in the factory. The minutes were compiled from my detailed notes of the meetings (which represent part of my field notes). Notes of meetings have been preserved as confidential documents for my use only.

## Female researcher in a male dominated workplace

MML was a male dominated workplace with no women represented in senior management in the plant and only one in the interstate management. There were three women amongst the twenty middle-management positions at the Plant and ten percent of the shop floor were women. However, the women were represented by their own elected HSR and there was a representative of the women employees on the Consultative Committee. Being a female consultant in this environment raises questions about gender issues in the organisation and what their impact may have been on this research. I anticipated that there might be difficulties arising from my female gender during the period of participant observation on the shop floor in July 1991. However, I did not find that to be the case. I was rapidly and gratefully, accepted as 'new labour' wherever I worked on the factory floor and I believe that my gender had no bearing on the work I was doing or on my relationship with the workers with whom I worked. I always felt comfortable, was never the subject of sexist comment, jokes or innuendo and was invited to participate in work and social events like other workers, regardless of gender.

On the other hand, I was constantly treated as the female outsider during my period of participation observation with the management team during a weekend management workshop in August 1991. There were constant references to stereotypical female behaviours, the group was regularly addressed as 'gentlemen, oh *and* lady', there were comments that followed my input such as 'spoken just like a woman' or 'you'd expect a woman to say *that*'. I had experienced none of this type

of behaviour at MML until this point and I was taken by surprise. Interestingly, a few of the managers also found the behaviour unpleasant and talked to me about it during the course of the workshop. However, no-one chose to take action to stop it. This was the only time during the period of the research where my gender was made an issue in such an overt manner. The behaviour seemed to have been stimulated by the consultants leading the workshop, with most of the MML people emulating the behaviour. Perhaps this happened because they were away from the influence of the Plant as it was a weekend. Perhaps it was an opportunity to 'test' my reactions. Whatever the case, I was never subjected to that type of behaviour again at the plant and I saw no other women treated in such a way. Despite this experience, I believe that my gender had no identifiable influence, either positive or negative, on the conduct or outcomes of this research.

## Conclusion

In examining the process of planned change in one organisation over time a research method, processual action research, was employed. Within the framework of processual research, examining process over time and in the context of the organisation, action research techniques were used with an emphasis on the iterative, but non-mechanistic cycle of collaborative planning, action and evaluation to ensure that intervention and implementation of the planned change took place. This fluid approach was able to take advantage of contingencies and opportunities as they arose. The research examined the processes of change in the lead up to and implementation of a government-funded Change Project with data collection occurring throughout the change period while engaged as a consultant to the company under study. Thus the concept of dual-role research was introduced. The methods employed in this research have been outlined in this chapter and the differences between the two Stages of the research were explained. In the next Chapter a detailed case study of MML gives the setting for the research and leads to the development and analysis of the data in Chapters 4 and 5.

# Chapter 3
# Case Study
# Moving Metals Limited (MML)

This chapter provides a detailed description and examination of the changes that occurred at MML between 1985 and 1994. The earlier period, 1985 to 1990, provides the historical context for the later period. Particular emphasis is placed on the period on which this thesis is focussed; March 1991 to March 1994, which encompasses the lead up to and the period of the Change Project. The case study is used to introduce the workers of influence and demonstrate some of their activities in the context of MML's history and its changing external and internal business environment over time. This provides the basis for the data analysis in the following chapters.

## Company background and business context

At the time of the research, Moving Metals Limited (MML) was a manufacturing division of Automotive Components Pty Ltd (ACPL), a fully-owned subsidiary of Australian Company Limited (ACL). ACL was a highly diversified, publicly listed company which had interests in many industrial sectors apart from the automotive industry. The relationship of MML to the rest of the company is illustrated in Figure 2.

The Australian automotive components market, which formed the base of ACPL's operations, benefited from being unattractive to potential importers because of its small size, fragmentation and distance that exacerbated communication problems and lead times. Within the Australian market, ACPL had built a well-established position. With the adoption of supplier pre-selection by most of the Australian automotive manufacturers, ACPL had elected to base its operations on those processes and products in which it considered it could be competitive in the world market.

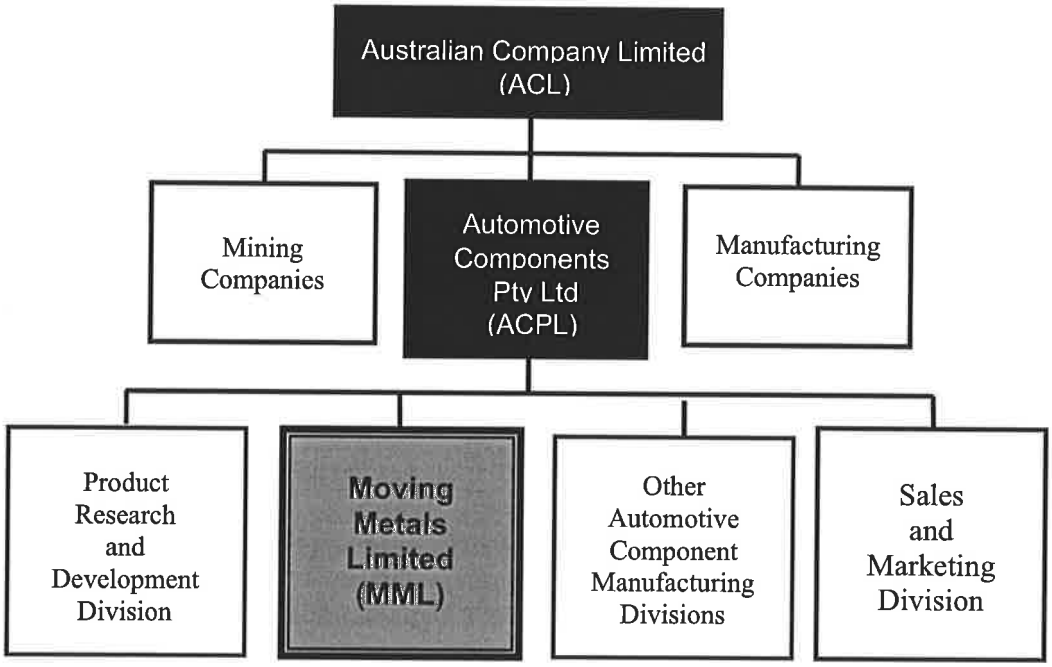


Figure 2. Relationship of MML to the rest of the company

ACPL was consolidated in a niche market of automotive components in a deliberate, strategic move to protect the company from overseas competitors. A physical barrier to entry to the Australian market was the shipping cost associated with the cubic size of the product. There were also technical barriers to entry for competitors because

ACPL held certain key licences and technical agreements with global-level automotive component designers and manufacturers for products that were manufactured at MML. It was the vision of the company management that the company would be the sole manufacturer of its components for the Australian market, including the automotive manufacturers (some of which produced their own componentry). Although opportunities for export of assembled product were unlikely to occur (the physical barrier to entry applied in the export market, as well as the import market) there was potential for exports in the sub-component market, in which MML, fostered by ACPL, had world-renowned expertise. Two significant export contracts were finalised at the end of 1991 and more were expected. This marked the entrance by MML into the fiercely competitive US market. Indeed, during the time of the research, new export markets were developed in North America and Europe for physically small, high-value, metal, sub-components. These parts were destined for the 4-wheel drive, off-road vehicle market. Typically the product runs were of the order of 250,000 – 500,000 pieces; long runs by Australian standards, but short runs by American and European standards. These relatively small American and European contracts were arguably easier to win than larger contracts for on-road vehicle components since the overseas competitors for the work were more interested in the longer run jobs. Nevertheless, the customers set stringent quality and delivery schedule requirements and MML's ability to demonstrate that it was able to meet these was a major factor in winning the work. The size of these orders was significant to MML and new departments were established to cope with their manufacture. By 1991, the company had a good past and present record for performance in meeting its Australian customers' requirements and it had a strong financial position, providing resources for company initiatives with additional support available from the parent company. The product research and development division of ACPL held significant patents for products, which MML also manufactured and exported.

At the time of the research, MML employed an average of 215 people. The industrial relations environment of MML was typical of its day. The company operated as a closed union shop and continued to do so throughout the time of the

research. That is, union membership was a condition of shop-floor employment. Two unions operated on the factory floor; the Federation of Ironworkers, Manufacturing and Engineering Employees (FIMEE), which principally represented the non-trades personnel and the Metal and Engineering Workers Union (MEWU), representing the trades. The administrative and professional employees were largely un-unionised and these employees were not represented by union officials (organisers) in any negotiations with management during the course of the research.

The fact that there was universal union membership on the factory floor does not imply that there was general agreement amongst the workers with either the stance of the unions or with the policy of the closed shop. Although ardent opposition to the union was rarely expressed, the Shop Stewards were of the opinion that many workers were indifferent to the union voice and took little notice of union-related materials. There was some 'poaching' of members between the two unions, justified by the Shop Stewards from both unions on the basis that management tended to push new starters towards FIMEE (privately labelled as a 'compliant union' by the MEWU Shop Steward), so that competition between the two groups was regarded as inevitable. The Shop Stewards tended to be philosophical about the situation and, in the main, there was a cooperative and friendly public relationship between the Shop Stewards of both unions, in that they were united in their opposition to any kind of management exploitation of workers.

Although the Shop Stewards were keen to expose any management wrong-doing, the industrial relations culture in the company was harmonious and non-militant. According to the Shop Stewards and the union organisers, post-1986, strike action was not considered as a response to industrial disputation. The only strike action that was mooted at MML during the research period was in response to retrenchments of middle managers in November 1992. Then the rumblings were quickly calmed by the Shop Stewards who pointed out to the workers concerned that striking was a zero-sum game and would play into the hands of the head office management, who were regarded as the 'common enemy' of all MML personnel.

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zero-sum game and would play into the hands of the head office management, who were regarded as the 'common enemy' of all MML personnel.

It was within this business context, that the key issues of quality, training, health and safety and worker involvement and participation were seen as critical to the long-term viability of the company.

## MML: 1985 – 1990

In 1985 the total number of vehicles built by Australian car assemblers dropped significantly; this downturn in the industry affected all components manufacturers. The downturn in the market exacerbated the internal problems the company faced. MML was operating at less than its full efficiency in 1985. Company records indicate that workers' compensation was a major expense at that time with an average of 218 hours per month lost to injuries, while 30% of the workforce sustained a work-related injury that required medical attention each year. High labour turnover and absenteeism and poor worker morale were concerns that needed to be dealt with. According to the workers and management who were with the company in 1985, the factory environment was cluttered and there was considerable room for improvement (worker, supervisor and executive interviews, 1991). There were also concerns about the level of product quality and about existing re-work and scrap levels. In December 1985 the company was facing an expected $A1.5 million loss by the end of the financial year in June 1986 (interviews with senior manager, 1991). In a climate where the market was unpredictable, it was clear that MML needed plans to ensure its survival into the future.

Just before the summer closure in late 1985, a new management team was appointed. Three of the six members, including the new Divisional Manager, Don Riddoch, were brought in from outside the company, while the others were existing managers who were given new roles. The ability to manufacture quality products for an increasingly discerning world market was identified by the new management team as the key to the company's long-term survival. A planned approach to management

was introduced to the company; a cohesive management team was developed and limited consultation with the Shop Stewards was used to help produce a company philosophy with emphasis on safety, quality and productivity. The new Divisional Manager wrote the first business plan with little consultation with his management team and no consultation with the shop floor. As one senior manager described it,

> ... everything was fairly taxing at the time ... there was a new style of management coming in, there were a lot more demands, they were commonsense demands really ... they were not unrealistic. With the operation before, no-one really knew at any one point in time where the operation was going ... (executive interview, 1991).

Within six months, for each manager produced his own department's business plan. Although the management style remained essentially autocratic, there was some allowance for consultation and the ideas of employees were sought from time to time. This was achieved through formal consultation via the Works Committee (newly established) to provide a mechanism for employee consultation. The Works Committee comprised the two shop-floor Shop Stewards (Gabor Szeto from MEWU and Ken Stacey from FIMEE), the Divisional Manager (Don Riddoch) and the HR Manager (Peter Lockwood). The two Shop Stewards now had access to management decision making, albeit on a small scale and were both representative and advocate workers of influence. The Divisional Manager also sought information from shop floor personnel in an informal manner during his daily walk around the shop floor, when he regularly stopped to talk to workers. Over time he came to seek out particular workers, one of whom was Ruth Everett, believing them to be representative of the shop floor workers and people who could give him reliable information about shop floor events and concerns (executive interview, 1991). From their part, the targeted workers understood their political position as informants to the Divisional Manager and used it to advance their own and others' ideas and concerns about the plant. They were regarded by their peers as people who were not afraid to step over the 'Us and Them' barrier and 'tell it like it is' to the manager (HSR interview, 1991). As a result of their dialogue with and influence on management, these people were given knowledge of the company operation that was not available to other workers. They were early examples of workers of influence.

The stated management strategy that was employed was to place the first emphasis on the people in the organisation, based on Don Riddoch's philosophy that a satisfied workforce would work more effectively than a dissatisfied one (executive interviews, 1991). Don Riddoch had learnt that safety was a pre-eminent issue on the factory floor from his informal conversations with workers and recognised that action in this area could boost the credibility of management in the eyes of the workforce. His examination of the company's financial status revealed to him that poor OHS was a financial burden. Thus it was that OHS became management's first priority, as an area associated with significant costs to the company, one that affected the personal lives of shop floor workers and one that was subject to easy improvement.

***Occupational health and safety***

In early 1986, management emphasis was placed on the working environment and on OHS; matters of vital, personal concern to the workers at the factory. Housekeeping was improved throughout the plant but was especially noticeable on the factory floor. As one leading hand put it,

> This place used to be a shit hole but now it's really clean and neat. That's one of the reasons there aren't many accidents now. (shop floor interviews, 1991)

A HSR was appointed by management from the factory floor and an occupational health and safety committee (the Safety Committee), consisting of management representatives and the HSR was established. This occurred several months before the proclamation of State OHS legislation that required employee involvement in OHS management. By August 1986, the number of HSRs had increased to four and they were elected by shop floor workers as their representatives in compliance with the legislation, rather than appointed by management. Interestingly, the original management-appointed HSR was not one of those elected as an HSR in those first elections. These HSRs joined the Shop Stewards as representative and advocate workers of influence, in this case elected employee advocates, who were able to participate in management decision-making as is discussed later in this thesis.

The Safety Committee prepared the company's OHS policy, the finished policy document being signed by both the Divisional Manager and the chair of the Safety Committee, who was one of the elected HSRs. Systems were set in place to ensure that supervisors understood, met and were accountable for their responsibilities for health and safety. These systems included procedures for monitoring and investigating accidents and injuries, housekeeping checks, the training of supervisors and workers and the introduction of rehabilitation processes to enable injured workers to return to work. All procedures and policies were developed and endorsed by the Safety Committee, as evidenced by the minutes of these meetings. Time during shifts was set aside to allow training of employees to take place for a few minutes each week, in the form of 'Short Safety Talks' presented by the supervisors. These proved most popular and within a few months elected HSRs and other shop floor people were taking turns to lead the talks and the ensuing discussion. By October 1986, half an hour each week was allocated to the talks.

Senior management reported that the accent on health and safety had several advantages for the company. There was an immediate fall in the number of lost time injuries (LTI[11]), with a corresponding fall in the costs associated with accidents and illness in the workplace (Guarded Reference 7). These included workers' compensation, rehabilitation and the so called 'hidden costs' of accidents - personnel time, loss of product and damage to equipment (Blewett, Cocks, Boyd and Williams 1989: 5). The emphasis on the people and their well being helped to develop a sense of confidence in the new management and provided a springboard for other changes. By 1991 health and safety was an important part of the company culture as illustrated by the following extract from my notes,

> Just after I started [in the Press Shop] a man who had been working on an adjacent press came over to me and told me most emphatically that safety came first in the Press Shop. ... Interestingly it wasn't until after he had given me his warnings that he asked me my name! Later he gave me instructions about quality, too. 'It's no point making rubbish, make sure you do your checks.' (from notes on participant observation, July 1991)

[11] A lost time injury is an injury that results in the injured person losing at least one full work shift.

This attitude to safety was generalised on the shop floor and in my discussions with workers it was noticeable that they gave pre-eminence to safety issues over questions of quality or production. That is, if a decision had to be made by a worker between safety and quality or production, safety would generally win. This was not always asserted by the supervisors who perhaps felt the sting of production pressures more keenly than their subordinates. Their attitude to safety was sometimes labelled as 'lack of commitment' by shop floor workers and was a source of some conflict and criticism.

The push for improvement in OHS continued throughout the research period under the auspices of the Safety Committee. There were instances where management payed lip service to their own demands on OHS issues, but they were inevitably brought back into line by the solidarity of the worker representatives on the Safety Committee.

Company records indicate that by the end of 1990, the firm was profitable and management placed a strong emphasis on OHS, training and quality management. Although the Divisional Manager was described as behaving in an autocratic fashion (management and worker interviews, 1991), a consultative management style was favoured amongst the other managers and the formulation and implementation of policies affecting shopfloor employees had, as their foundation, limited participation by shopfloor representatives. That is, policies were drafted by management and discussed at management level before being passed to the shop floor representatives for comment. Management reviewed the comments and accepted or rejected employees' ideas without further discussion before implementation. The success of these early organisational changes was demonstrated by the observed outcomes of the process as found in the company records: namely, an increase in shopfloor productivity, customer recognition of quality improvements, a reduction in the cost of workers' compensation and a reduction in both labour turnover and absenteeism.

In 1990, the automotive industry and the automotive components industry again suffered from the effects of severe recession. The decline in demand for product both

in the domestic and international markets had adverse effects on the operations of enterprises in this industry. Many enterprises reduced employee numbers through passive (natural attrition) or active (retrenchment) means (Littler, et al. 1994: 39; executive interviews, 1991). For many enterprises the economic climate resulted in a curtailment of activities that were not directly associated with production. Despite its growing reputation amongst its customers, MML also suffered during the recession. Company records indicate that rapid fall-off in the demand for product reduced profitability in the 1990/91 financial year and threatened the security of jobs. However, in August 1990 the management conducted sensitivity analysis to assess the potential impact of falling sales in anticipation of the recession deepening. The scenarios used were based on declines in sales of up to 20% (although 22% was experienced). As a result, the MML management reported that they were able to estimate the decline in labour requirements that might be experienced during the recession. The Divisional Manager's first reaction was to get ready for a round of retrenchments, but instead he put the matter before his informant workers on the factory floor. They told him,

> 'Retrenchments are out. That would affect some of us very badly – it could be any one of us that would lose our job. Why don't we all work a little less?' (executive interviews, 1991).

So it was that the Divisional Manager was able to develop plans to cope with the effects of the recession, using the significant input of the workers of influence in his decision making. He was able to make and fulfil a promise to the workforce that there would be no retrenchments. In consultation with the employees, the management developed a workable scheme of reduced working hours amongst both direct and indirect labour to stave off retrenchments. In fact, for many months everyone in the plant, including the managers, worked a 4-day week and took home less pay. In response to the recession, the indirect activities of operational employees, such as involvement in process-improvement groups and training, was reduced. Management and workers, recalling this time, attributed the company's survival through the recession to the cooperation between workers and managers (executive and worker interviews, 1991). Throughout this period, the company retained its reputation for quality product and reliable delivery, factors critical to the maintenance of its business.

## MML: 1991

By mid-1991 MML was recovering from the effects of the recession and had maintained its reputation for quality products amongst its customers. For example, it had achieved Ford's basic, audited quality standard, Q101 and had a program for achieving the top level in the standard, Q1 in order to reach 'preferred supplier' status with its customer. It had also been granted permission to self-insure against workers' compensation status following an extensive audit of its OHS management system by the state government workers' compensation authority. The management had fostered cooperative relationships with the unions through the Works Committee. Moreover, both in-house and external resources had been used to increase the skill level of the employees and provide some career paths, succession training and secure employment.

Towards the end of this recession, production requirements increased and direct workers returned to a full working week. However, indirect employees and management remained on the 4-day week with reduced pay regime. The Divisional Manager, prompted by the workers, offered indirect employees the opportunity to make up some of their lost wages by working as direct workers (at direct worker rates) for one day each week (executive interview, 1991). Some office staff took this offer with interesting results. For instance, the assistant accountant, who had had the reputation of being aloof from the workers, gained insight into conditions on the factory floor and was thereafter seen as a 'champion of the workers' in management meetings (executive interview, middle-management interview, 1991). The workers also expressed the view that the presence of the 'upstairs people' on the factory floor was positive because it helped them to see that the office staff were 'real people with their own problems who could relate to the workers' (HSR interview, 1991).

A culture, in which change was the norm, had been developed through the processes of consultation and through kaizen groups or quality circles (QCs), although these had limited success and short lives. Cultural change had fostered a climate in which internal customers were regarded as being as important as external customers and

responsibility for quality had been pushed towards to the shop floor, with the help of a system of quality inspectors. Sophisticated quality systems had been introduced including the Statistical Process Control system (SPC) conducted largely by shop floor operators and quality inspectors, the use of numerical coordinate measuring equipment and the Material Requirement Planning II (MRP II) system. The company monitored the performance of its suppliers with respect to quality, productivity and competitiveness, while senior management claimed that quality was 'a cornerstone of the company culture' (executive interviews, 1991). Consequently, MML was regarded by its customers as a leader in its field of automotive component manufacture.

***Establishing a quality structure and the use of SPC***

In 1986 the new company strategy was to focus on the customers of the company; to be 'customer-driven'. According to the management this was to be achieved by satisfying the internal customers first, to allow sufficient energy for people to focus on the needs of external customers. After investigating the state of the business in late 1985, the new Divisional Manager concluded that the workforce was a strength of the company rather than a weakness and that it could be used more effectively with a different management style, one that considered the needs of employees (executive interview, 1991).

Once the changes in the management of people began to take effect, more effort could be put on quality by using workforce knowledge. By mid-1991 the quality infrastructure of the company was multi-tiered with a Quality Assurance (QA) Manager at the top. He was one of the senior executives of the company and led the QA Department. He developed the *Defect Prevention Strategy,* outlined clearly in the company Quality Policy Statement, which had been disseminated to all employees (senior management interview, 1991). Quality Inspectors worked on different facets of the quality program. Some worked on customer/supplier relations, some worked on the shop floor testing 'first-offs' and performing time-consuming

destruction testing[12] to ensure the strength and reliability of safety-related components. They examined questionable product and attended to customer returns either from internal customers from within the factory, external customers from the assemblers, or warranty returns from end-user customers. The final layer in the quality hierarchy consisted of the operators who were responsible for some self-inspection of the parts they manufactured or assembled against pre-determined attributes. Arguably the most important tool for the maintenance of quality by these people was SPC (senior management interview, 1991).

The power of SPC lay in the immediacy of the reporting. The product was not just gauged to ensure that it either had or had not a particular attribute; variable measures were taken to allow the operator to determine the performance of the production process. That is, it allowed immediate feedback on the process rather than a measure of the result of the process. It meant that the capability of the process to produce product within specifications could be measured while the job was being run. If process problems were detected, then adjustments could be made on the spot to realign process operations. Many of these adjustments could be made by the operators themselves with minimum time delay (from Notes on Participant Observation, July 1991).

Generally the QA Department in consultation with the customer determined the attributes of the products that were tested. The toolroom, engineering or the materials department were also involved when appropriate. However, workers were

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[12] At the beginning of each shift, tests were performed on some critical products, particularly those that were safety-related. The 'first-off', literally the first piece produced, was tested to ensure that its quality attributes were being met by the production process and no further production was supposed to take place until this piece had been inspected. This was intended to prevent the wholesale production of non-conforming product. In reality there were insufficient quality inspectors to enable this testing to be performed promptly enough, so production used to continue without the tests being completed. The transfer of first-off inspection to production workers made these tests far more timely and meaningful. Destruction testing was performed on safety-related product to determine its failure attributes. For example, a piece might the stretched or bent in a particular way until it broke. The failure point would be recorded to ensure it complied with pre-established requirements. When parts failed the first-off or destruction testing, it indicated that there were production problems which needed urgent attention.

able to contribute to the refining of the mode of testing. During my period of participant observation on the shop floor, I observed an instance where the workers regarded a particular type of SPC charting to be worthless as it did not add to their knowledge about the quality of the component. After discussions with the Quality Inspectors, the Engineering Department and the Materials Manager it was agreed that the workers were right and a meaningful measure, suggested by the workers, was introduced. SPC charting against the new measure was conducted with more enthusiasm, since it provided the workers with increased control over the process and the quality of the components they were producing. Both management and workers reported that they expected that, in the future, inspection of product would become increasingly the responsibility of shop floor workers, with the assistance of specific expertise when required.

The shop floor workers had a clear sense of the importance of quality in the products they produced as illustrated in the following extract,

> The Leading Hand showed me the job very carefully and told me what to look for should things go wrong. He was quite insistent about quality [checks] and told me that the parts should be perfect and to ask him if I had any questions. I asked him if people really were careful about quality and checking things. He looked at me as if I was silly and simply said 'of course!'. He told me that these were safety components and they had to be just right (from Notes on Participant Observation, July 1991).

A responsible attitude to quality existed on the factory floor, the people were well trained in quality inspection and on-the-job training emphasised the need for quality. However, my experience was that all too often the capacity to produce quality parts was thwarted by poor tools and equipment. For example,

> Every hour I had to check the quality of the welds on the nuts with a torsion wrench. I had real trouble with this because the spanner head wouldn't fit the nut (too large). The correct spanner has never been supplied! (from Notes on Participant Observation, July 1991)

Workers were concerned about producing quality parts; as one said, 'there is no satisfaction in producing crap' and they worked out means of ensuring quality was maintained. Curiously, the lack of appropriate testing tools may have been more a

consequence of poor communication than lack of management interest in providing and maintaining appropriate equipment. My experience was that machinery was altered very quickly after management received a *written* complaint (by way of a hazard report form). However, there were some significant barriers that prevented workers from lodging written complaints. As was discovered in 1992 (and discussed later in this thesis), about a fifth of the workers on the factory floor had literacy skills at a level that made them eligible for remedial tuition. Low literacy was certainly a barrier for some workers who may have wished to make complaints about their work situation or work processes. Some workers reported that they were reluctant to prepare written complaints in their own time and, as there was no opportunity allocated for this activity during the normal working day, no complaints were generated. Some workers reported that they had no faith in the capacity of management to respond, or had concerns about their job security and as a result did not put in written requests or complaints about their difficulties to their supervisors. The result was that a communication barrier existed at the plant between shop floor and management. This was of concern to the management and shop floor people alike and was one aspect of working life that both groups reported that they would like to have seen improved (from Notes on Participant Observation, July 1991). In spite of this, the reality was that MML's products usually met the specifications of their customers. Returns were very low and there was a high level of customer satisfaction, although scrap levels[13] were often high. This meant that workers were skilled at removing non-conforming product from the supply chain, but were unable to produce at the required quality level all of the time.

[13] Manufactured product that was defective, that is, did not meet quality standards, was classed as either 'rework' or 'scrap'. Rework was subjected to additional production steps to make it meet quality standards, with the cost incurred by MML. Scrap was thrown away (or sent for recycling) if rework was not possible or affordable. High levels of scrap and rework indicated that there were problems in the production process. Maintaining high quality and on time delivery to the customer with high levels of scrap or rework meant that the profit on those parts was reduced due to the higher costs of the inputs to production.

The importance of maintaining healthy relations with customers and suppliers was also considered to impact greatly on quality. Therefore, effort was spent in incorporating both customers and suppliers into the MML 'family'. MML's approach to the development of good customer-supplier relations was creative and varied.

***The development of external customer-supplier relations***

In the automotive industry, each customer had its own demands and requirements about quality. For example, Ford imposed its own quality system, Q1, on its suppliers with the demand that a particular level of compliance with the system be present in order to achieve 'preferred supplier' status with Ford. These systems were onerous and demanded considerable paperwork (in the form of auditable records) and time to implement and maintain, but added little to the maintenance of quality product at MML. The need to operate its own sophisticated and planned quality system was vital to MML in order to maintain its customer base, but its own QA system had to comply with the customers' needs. However, some performance indicators that were imposed on MML by customers were unique to the various customer-imposed quality systems. They were measured solely because the customer wanted those particular measurements; that is, they had no internal or intrinsic value to MML. This anomalous position was clear to the MML management and the QA Manager was keenly aware that the existence of a system, *per se*, was not a guarantee of good quality,

> There's been quality systems around for a long time and these are always subject to review. Whilst it's OK to have a system there in black and white per the Australian Standards, it doesn't necessarily work and doesn't necessarily reflect the changes that you have to make to keep pace. Things change very quickly (Executive Interviews, 1991).

The demand for quality from MML's customers required not only that MML manufacture to stringent standards, but also that MML's suppliers provide the company with quality components or raw materials. To ensure that this happened MML monitored the performance of its suppliers. The company maintained a

benevolent attitude to suppliers and had worked at building a healthy relationship with them because suppliers were regarded as an extension of the company. Suppliers, particularly very small customers, that had difficulty providing or maintaining consistent quality were offered assistance in the first instance.

In 1988 MML, according to the Materials Manager (Senior Management Interviews, 1991), conducted a seminar for its suppliers to communicate to them their requirements for quality and to inform them about recommended systems for QA. Forty suppliers attended. Later, MML assisted some suppliers to establish their own quality systems. Those that were unable to respond to MML's requirements were dropped from the supplier list. By 1991 the number of suppliers was halved. The second supplier seminar, held in late 1991, was attended by the twenty suppliers then used by MML. The theme of the seminar was 'Achieving win/win solutions' and the message to suppliers was that they needed to consider themselves an extension of MML. As the use of EDI (Electronic Data Interchange) increased, the level of trust between supplier and customer needed to increase correspondingly, according to the MML management. MML was moving towards a highly integrated customer/supplier relationship, which included shop floor level communication with customers and suppliers. MML expected that the attitude that its employees had towards quality, would be mirrored in the employees of its suppliers. This rhetoric was a preview of the lean production model of manufacturing.

Management considered it important that shop floor workers should understand what happened to the product when it reached the external customer. Each week a different small group of shop floor employees, accompanied by a quality inspector, was taken to the plant of a local customer to visit the production line where their product was used. These visits were instituted in mid-1988 when the quality program was well under way. The workers were able to talk to the people who used their parts in the assembly process and in this way a working relationship was built with the external customers, resulting in some improvements in product and product handling. For example, there was concern over the number of returns of one model of product from a customer. Workers from MML, on a visit to the customer's plant,

saw their parts being handled roughly on the assembly line. The MML workers and the assembly plant workers worked together to identify that the method of packing the parts made them lock together in transit so that they were difficult to unpack and liable to be damaged. Together they worked out a new packing method that not only prevented damage to the parts, but also enabled more parts to be packed safely into each stillage. The less tangible benefits from the program were a sense of ownership in the products that were manufactured at MML and an improved understanding about why product was designed the way it was. It was anticipated that this program would be enhanced in the future by the inclusion of customers' assembly line workers in the continuous improvement groups (executive and worker interviews, 1991), although this plan was never realised.

The Production Manager and a representative from the Quality Department visited interstate customers fortnightly. The purpose of these visits was to maintain a strong relationship with the customer both at shop floor and management level and emphasise the customer orientation of the company. Any problems that might be experienced by the customer were dealt with rapidly and at first hand. Because of the cost outlay, no attempt was made to include shop floor people in these visits, despite the fact that the company had benefited from such visits to local customers.

***Kaizen, quality groups and continuous improvement groups***

> Kaizen, gradual but endless little improvements that lead to the achievement of the highest standards, embodies the state of mind that drives constantly for change. (Executive Interviews, 1991)

This was the principle that the MML management purported to adopt. From 1989 – 1991 the company found that kaizen and quality groups could provide innovative ideas about design and production, but failed to provide them with adequate support. Quality groups tended to concentrate on one product and were department-based, whilst kaizen groups had a broader range of topics and considered aspects of process management seemingly unrelated to production. In both cases the membership of the groups was drawn from a cross-section of levels and departments in the factory to maximise the variety of input to the process and pursued problems using the varied

skills of group members. The number of meetings of these groups fell sharply during the 1990 recession, as direct/indirect labour ratios became critical, however the management recognised that this was detrimental to long term performance. Once the recovery from the recession was underway in mid-1991, they were re-introduced with meetings held on a monthly basis. This followed the WCM workshop which recognised the importance of this type of activity, however, there was no company-wide coordination of the activities of these groups.

The re-introduction of the problem-solving (or process improvement) groups was achieved through the amalgamation of kaizen and quality groups into so-called, 'Continuous Improvement Groups'. Drawn from a vertical slice of the organisation, two groups had been established and were learning problem-seeking and problem-solving techniques from an external consultant. The value of this training lay not only in the techniques learnt, but also in the visual manner that progress on projects was reported on the shop floor. Large display boards outlining the problem and how it was being solved and by whom, were located in the appropriate departments. Photographs and graphics made the information available to anyone who cared to examine them. These groups pursued problems identified by management, rather than the group members and not all people who needed to be, were able to be involved. Membership tended to be made on the basis of 'who could be spared at shop floor level', rather than on the basis of 'who could most effectively contribute to the matter in hand' so shop floor representation, in particular, tended to vary in an erratic manner. That is, immediate production pressures took precedence over the work of the Continuous Improvement Groups, demonstrating a lukewarm commitment to their work by middle and possibly, senior management. The overall plan was to formally capture the ideas from these groups, to ensure that they were used and to record the benefits that flowed from them. A 'Productivity Improvement Program' was instigated to collect information about costs and savings from each idea and the data were presented to the ACPL Board. It was intended that accumulated cost savings would be used to contribute to productivity gains as part of the first Enterprise Agreement (EA), but this did not come to fruition. Although

these problem-solving processes had limited success in terms of outcome, they provided familiarity with and experience of, the concept of worker involvement in process improvement.

#### *World competitive manufacturing*

In the latter half of 1991 the MML management took advantage of State Government assistance to participate in a program called *World Competitive Manufacturing* (WCM), aimed at improving manufacturing capability. The program involved senior and later, middle management in weekend-long workshops of strategic planning towards a 'sustainable competitive advantage', defined as 'that special capability identified by the company that will enable it to attain a sustainable position in the market with respect to major competitors' (Department of Industry Technology and Commerce 1990: 12). I attended both workshops as a participant observer. The management team developed MML's sustainable competitive advantage as part of their workshop, the desired outcome was the adoption by the company of a philosophy of 'continuous improvement'. This was translated into action through the Continuous Improvement Groups discussed above. Again, the rhetoric of lean production was introduced as common parlance in the company, well before its introduction.

During the WCM workshop, the MML management recognised the value of being involved in government-funded programs and decided to seek out and use government assistance wherever possible. The announcement of the Workplace Change Program at just that time presented an opportunity that was eagerly grasped by the management, as is discussed later.

#### *Training*

Between 1986 and 1991 the industrial relations climate at MML had moved from one of suspicion, towards one of cooperation. At the beginning of 1986 there was no training budget, but once instituted it increased from 0.6% of payroll in 1986/87 to 2.5% of payroll in 1990/1991 (company records). Both management and workers

considered that the increased level of training had contributed to the pace of change and had supported changes in manufacturing processes (management and worker interviews, 1991). Workers were encouraged to understand the flow of work through the factory and how their work impacted on the next person in the line. Each piece of work done in the factory was regarded as 'finished product' to encourage the image of a line of customers and all non-production departments were considered as support for production.

By 1991 MML's workforce was starting to become multi-skilled; that is, shop floor workers were trained to perform many functions both in their own departments and across departments. Thus the managerial objective of 'developing a highly specialised and flexible workforce which could be easily accommodated within rapidly adjusted production arrangements to meet changing market demands', was being achieved (executive interview, 1991). Multi-skilling was also a workforce objective, as increased training was considered to improve both employees' career status within the company and their industry-wide employability (Shop Steward interview, 1991). According to company records, MML's training budget increased from 0.7% to 3.0% of payroll between 1986 and 1991. Some of MML's internal training programs had informal industry-wide recognition (as opposed to accreditation), which confirmed the importance the company placed on a skilled labour force[14]. MML's long term strategic goals were dependent on a highly skilled, flexible workforce, thus emphasis was placed on succession training and career planning to enable the company to offer long term employment to individuals in whom training investment had been made (executive interview, 1991). Using the skills and knowledge of these people was regarded as an imperative by 1991. However, throughout the period of the research, the area of training provided opportunities for both division and collaboration between workers and management. As will be shown, training was a major component of the Change Project and a domain in which workers of influence were able to exercise considerable influence

[14] At this time, MML employees were sought after by other companies because the training at MML was highly regarded by other employers (from interview with Shop Steward, 1991).

over the generation and implementation of change. This was assisted by the external environment in which regulators were rapidly moving towards accredited, competency-based training and the alignment of award wage levels against the attainment of specified competencies.

***Management style***

By 1991, the shift in emphasis with respect to the management of people, was away from the traditional autocratic style towards an increasingly democratic and consultative style. The new management system incorporated formal ways for management and employee representatives to meet and discuss issues in a non-confrontational manner. Although the 'Them and Us' barrier still existed in late 1991, it was not perceived as impenetrable as it once was and both management and workers anticipated that it would crumble further. One union organiser (external to MML) said he had not been near MML 'for several years, because there's been no need' and compared this to pre-1986 when he could point to 'several filing cupboards full of complaints about the company and its management' (union-official interview, 1991).

Not all supervisors and managers were comfortable with the changes that were expected from them. Although none was fired, some supervisors and managers chose to leave. Their departure was not always regretted. It was said of one senior manager that,

> ... he didn't care a hoot about his people. It was completely foreign for him to have to think of them as people. He was never going to change his ways. He didn't belong and it was a good thing that he left. (executive interviews, 1991)

Others found the transition easy. They saw it as an opportunity to work in the way they had always wanted to, but were prevented from doing under the former management. As one senior manager commented, 'It was like a breath of fresh air' (management interview, 1991).

These 'people-changes' were the foundation for the push for product quality improvement and they were regarded as a legitimate part of the quality program. From the time the change program began to be implemented, the role of people in achieving quality performance was recognised by the management. As the QA Manager put it,

> The main thing is people involvement, because no single person can do it. It's got to be a total effort and that effort is being pushed right down to the shop floor - they're the people who can best respond. (executive interview, 1991)

The changes to management style, with the enhanced emphasis on quality was expected to result in an organisation that would be noted for its product quality, reliability and customer focus.

#### *The Workplace Change Program*

The Workplace Change Program was an initiative of the Commonwealth Government in 1991, at a time when the Australian Labor Party was in power. The Program was developed in response to government recognition of the need 'for a concerted effort to improve productivity and competitiveness' (Department of Industrial Relations and Australian Manufacturing Council 1992: iii) in Australian manufacturing in order to halt the 'gradual decline in Australian productivity and quality standards relative to international competition' (Department of Industrial Relations and Australian Manufacturing Council 1992: 3). These observations first came to prominence in 1987, in a report on labour market reform and the comparative international competitiveness of Australia, *Australia Reconstructed* (Department of Trade 1987), which laid out the union movement's agenda to improve workplace efficiency and productivity (Guarded Reference 12: 8) and which was well received by the Commonwealth Government. They were supported by government findings as reported in *The Global Challenge* (Australian Manufacturing Council 1990), an examination of the impediments to manufacturing development and the measures needed to improve manufacturing and build exports and in the report of a tripartite study mission, *International Best Practice* (Department of

Industrial Relations and Australian Manufacturing Council 1992). The Workplace Change Program was developed as a result (Guarded Reference 12: 11). As has been described earlier, an application to the Workplace Change Program was successful in attracting a sizeable grant to enable MML to pursue an agreed project of planned change, hereafter referred to as the *Change Project*. The grant came with limitations on its use; it could not be used to pay employee wages or to fund capital purchases. It also came with obligations; the company was to contribute an equivalent amount to the Change Project either financially or in kind and it had to agree to implement the Change Project.

Some significant features of the company's involvement in the Program defined a new operating environment for the introduction of change in the company from 1992 – 1994. Principally, workers were given a legitimate role in the change process, there was external auditing and monitoring of the progress of the Change Project and the process of change was independently facilitated. The management, in consultation with workers and their union officials, developed the Change Project. Earlier contact between management and union officials had been restricted to the resolution of industrial disputes. This time, management were not only seeking union and worker input to the Change Project, but were also seeking approval from that quarter to strengthen the application in the eyes of the government administrators. This support was forthcoming, although it was given with some caution and the understanding that reciprocity in the form of fair implementation of the Change Project would follow. The funding from the government was subject to financial audit and continued financial support was contingent on the satisfactory implementation of the Change Project as assessed by a government appointed monitoring team that visited the plant at regular intervals. For the workers, this meant a strengthening of their position of individual and collective influence as it was perceived that there was powerful external control (in the form of the government) applied to the management to actually fulfil the stated objectives of the Change Project. The existence of a contract between the company and the government further strengthened this position. Importantly, the contribution of

workers in the change process was built into the Change Project stages, this legitimised the role of the workers as active participants in change. Finally, my appointment as an independent change facilitator and observer of the change process, provided another degree of confidence to the workers that their interests would not be overlooked in the change process as I, too, was ultimately accountable to the government.

## MML: 1992 – 1994

### MML's Relationship with corporate management

Throughout the research period, MML management and workers had an ambivalent relationship with the parent company and interstate-based head office. Changes that occurred at MML that were regarded as unpleasant and unpalatable decisions were regularly attributed to 'head office', so the attitude of the workforce to the Chief Executive Officer (CEO), Stan Blake, was rarely complimentary. The CEO made fortnightly trips to MML but, as he was unlikely to spend time with anyone below the Divisional Manager, the other managers and shopfloor employees treated him with suspicion. MML's Workplace Change Program application had attracted little support from the CEO and when the award was announced, the CEO's reaction was to demand that the funds be equally divided amongst the three manufacturing divisions in the company (two interstate). He was not pleased to be told that the funds would be separately audited and that their use was, contractually, only for MML. Although he had cleared the application and signed the contract with the government, the CEO appeared to have had only a cursory knowledge of events at MML or of the Workplace Change Program and MML's part in it.

Throughout the period of the grant, the relationship with the parent company's senior management and the MML management and workers varied enormously. The CEO's participation in training for the newly formed Consultative Committee in early 1992 engendered a new respect from both sides; the CEO told the group that he was impressed by the constructive openness of the shopfloor workers participating in the

Committee. On their part, the workers and MML managers were surprised by the willingness of the CEO to listen to their concerns and ideas. In March 1992 the CEO's appointment of the Divisional Manager to a corporate role (Group Operations Manager) was greeted with approval from the MML shopfloor and management because the Divisional Manager had maintained his autocratic management style and become increasingly unpopular. His new group-level role took him away from the day-to-day work at MML. The subsequent appointment of the Production Manager to the new role of Plant Manager was greeted with acclamation as he was well liked and respected.

In November 1992 the CEO announced sweeping changes in the structure of ACPL which meant the centralisation of various functions. This arose from a review of the company operations by a large management-consulting firm conducted in April 1992, in the very early stages of the Change Project at MML. As far as the people at MML were concerned, the timing of the restructure could not have been worse as it followed a period of great activity where pride in the workplace had developed and teams began to form. The whole plant seemed suddenly plunged from a place of happy activity, to one of mourning and grief. It took many months to recover equanimity and suspicion of the corporate management remained. As a result of the restructure, nine middle managers and administrative staff at MML were retrenched. Despite the provision of generous retrenchment packages, those who were retrenched had strong support from the shopfloor, illustrating the sense of solidarity that had been built up since the commencement of the Change Project. In fact, there was a threat of strike action by angry shop floor workers in support of the retrenched middle managers, an almost unheard of occurrence in this industry. A further eight middle managers resigned, most expressing disgust at the retrenchments and taking with them considerable expertise. The restructure imposed on MML by the corporate management was interpreted as being dismissive of the changes that had occurred at MML during the year and which had already brought tangible benefits to the company. It took many months for the plant to recover from the disillusion that

followed. The effects of the retrenchments were summarised in the 5th Quarterly Report on the Change Project to the government as follows:

> Productivity declined, quality declined and there was an increase in reported accidents. The mood in the organisation moved from anger to sadness and a further eight people chose to leave the organisation, in addition to those retrenched. By the commencement of the summer closure the mood in the plant was bleak and the break was perceived as a much needed opportunity for individual reassessment (Report 5, 1991: 1).

Both MML management and workers regarded the local operation as the leading manufacturing division in the ACPL group and they were resentful of the CEO's apparent lack of support of what they regarded as their innovative work. They concluded that it would take considerable effort to convince him that changes in direction at MML were worthwhile, or that their ideas had merit. They concluded that the CEO was only interested in the interstate divisions and was parochial in his thinking. This position was redeemed by two major events. One was the installation of a state-of-the-art transfer press line in late-1993 at a cost of $3.5 million. Such capital expenditure was accompanied by many months of planning, during which the mood amongst Consultative Committee members suggested that they would 'believe it when we see it'. The eventual, on-time, commissioning of the equipment was cause for celebration because it symbolised the CEO's ongoing support for MML. The second was the CEO's acceptance of the resignation of his friend, the unpopular group manager operations (MML's erstwhile Divisional Manager). MML management and workers saw this change in personnel as highly desirable and for a time after these events they regarded the head office management in a kinder light. Despite the uncertain relationship between MML and ACPL and the significant impact that the parent company had on the changes in the organisation during the period 1991 – 1994, the Change Project proceeded along its course, more or less as planned.

## The Change Project in overview

During the period of the grant, MML management and employees worked together on the Change Project. Management and employees cooperated in national and international benchmarking to establish performance measures and to examine processes applicable to MML. As a result, a model of 'lean manufacturing' was adopted from the benchmarking partner, Car Accessories Limited (hereafter called CAL) in the USA, as the means to organisational and job redesign.

As part of the Change Project, the four-person Works Committee was expanded to a larger Consultative Committee with wide representation from the factory floor. Local, worker-level leaders were elected by the shop floor as their representatives to this forum. These people were, by definition, workers of influence. The consultative processes that were established, provided new opportunities for shop-floor workers to participate in management decision-making. This is enlarged on later in this chapter.

Expenditure on training more than trebled and all people in the company were involved in training at some stage during the grant period. This included a three-day workshop on lean manufacturing techniques attended by every person in the company. Accredited technical skills training (such as welding, robotics and SPC) was offered to employees, as was non-technical training, known as 'infrastructure training', which included conflict resolution, problem solving and literacy.

The move to lean manufacturing resulted in significant changes in job and organisation design. There was a reduction of middle-management positions and an absorption of leading-hands and supervisors into production teams, although the senior management level was affected little. Remaining supervisors were re-named *coordinators* and given new duties. Some of these changes were real and some were later shown to be rhetorical.

The key elements in the earlier processes of organisational transition, attention to quality, customer-supplier relations, OHS and SPC, were built upon throughout the period of the Change Project. The development of improved consultative processes that demanded a shift in power from management to key members of the shop floor, was essential to the adoption of lean manufacturing by the company. Also supporting this shift was the sharing of manufacturing and management process knowledge through benchmarking and the provision of training.

The award of the grant was instrumental in the move towards increasing worker involvement and participation through the processes of lean manufacturing and the development of self-managed teams. The grant allowed the company to accelerate its change plans in four major directions as described below. Workers of influence were to play important roles in each of these areas.

***Benchmarking***

In the application for a grant from the Workplace Change Program, MML described benchmarking as a means to determine appropriate performance indicators for the company and to find out about the level of performance against these measures in other countries. However, at the commencement of the Change Project, the management took the opportunity to use some of the grant to recover the costs of a December 1991 trip to the USA by the then Divisional Manager. The trip was arranged by the Federation of Automotive Products Manufacturers (FAPM) as a 'benchmarking mission' to examine a range of enterprises using lean production. This was in response to growing interest in lean production stimulated by the book, *The Machine that Changed the World* (Womack, et al. 1990) and was designed to provide an opportunity to see lean production in action. While the mission was viewed as a 'junket' by the shopfloor members of the Consultative Committee, one overseas contact was made that proved to be pivotal to the subsequent changes that occurred at MML. This was a visit to the CAL plant where he saw a model of lean production that he regarded as 'exciting' (File 1, 1992: 128).

CAL was a first-tier components supplier to the US automotive industry that employed its own version of lean production which was termed 'Synchronous Production', meaning that all stages of production and company operation would, as the CAL personnel described it, 'work in synchrony like cogs in a well-oiled machine'. Three senior MML managers made a second trip to CAL, as well as a range of other companies, in March 1992. They took with them a long list of questions that were generated by the shopfloor through the Consultative Committee employee representatives, as a means of providing some input to the benchmarking mission from the shopfloor. Visits to Japanese transplants in greenfield sites in the US left them unimpressed with the concept of lean production, which they regarded as de-humanising and stressful. However, they returned to Australia full of enthusiasm and behaving like proselytes for the version of lean manufacturing that they had seen at CAL. Their enthusiasm generated interest combined with suspicion on the shopfloor. The response of the management was to initiate a third visit to the USA confined to CAL alone, to enable close inspection of production processes in the plant.

The employee representatives on the Consultative Committee strongly recommended to management that a shopfloor worker be included on this visit. This was conceded and the Committee agreed selection criteria for the person. The employee representatives on the Consultative Committee drafted a 'wanted ad' and placed it in a special edition of the in-house newsletter. It read as follows:

**Wanted**
**To take part in a fact finding mission to the USA**
**A person who:**

- Is a good communicator and who is prepared to share knowledge;
- Is trusted by fellow workers;
- Is prepared to work hard;
- Is adaptable to change;
- Can represent the shop floor people but is preferably not on any committees at the moment;
- Has a good understanding of industrial relations, award restructuring, etc;
- Has an understanding of the production processes at MML;
- Who has a positive attitude to work and people (Report 3, 1992: 53).

An election for the position was conducted by the union Shop Stewards, with all shop floor people able to vote; management refused to participate in the design or conduct of the election, preferring it to be sincerely the shop floor workers' choice. The shopfloor representatives on the Committee treated the workers' choice of elected representative traveller as an opportunity to test the veracity of the management approach to consultation. When, at the next meeting of the Consultative Committee, the Plant Manager immediately accepted the workers' choice, there was an audible sigh of relief, as the group could agree to move to the next step. The workers' representative, Barry Taylor, thus became another worker of influence. Invested with representative status by his peers and in a position to gain expert knowledge, he was able to influence management decision making.

The benchmarking mission to CAL took place in May 1992 and the group returned full of enthusiasm for the new processes they had seen, as summarised in MML's 3rd Quarterly Report to the government,

> Through [the shopfloor representative], the enthusiasm has been transmitted throughout the plant so that a high level of curiosity is in place on the shop floor (Report 3, 1992: 4).

By the end of this third visit to the USA, the understanding of benchmarking as a comparison of processes rather than a comparison of quantitative outcome measures, was well understood within MML and it was this understanding that drove the remainder of the company's benchmarking activities. There were no further visits outside Australia; instead, MML concentrated on specific Australian target companies, particularly in the automotive supplier network. By mid-1992 there was considerable demand from other enterprises to visit MML. These visits were encouraged both because they fulfilled the company's contractual obligation with the government to disseminate what had been learnt during the Workplace Change Program and because the MML management recognised that there was much to learn from visitors to the company. During the period February 1992 – February 1994, over 250 companies visited MML.

Visitors to MML were given an introduction to the company in the Board Room by the Plant Manager or another senior manager. They were then invited to tour the factory floor in the company of a volunteer, shop floor 'tour guide' who was trained for this role by other shop floor workers. That is, they were given an overview of the plant's production processes so that they could talk knowledgably about the operation of the factory. The concept of the tour guide grew out of the large number of requests for visits to the MML plant by other companies. It soon became difficult for managers to spend the time required with visitors on the factory floor. By August 1992, management asked the employee representatives on the Consultative Committee to take the role of tour guide because they were identified as people who knew the factory and had contact with many workers. However, other workers were also interested in performing this role. By November 1992, management placed the selection, training and administration of tour guides in the hands of the employee representatives, allocating off-line time to the workers for this purpose. The task ultimately fell to one employee representative, already identified as a worker of influence, Neil Mitchell, who became the company contact for visits and who organised them. Tour guides acted as ambassadors for the company, had good knowledge of the MML processes and as a result of their work, had the opportunity to learn about the operation other companies, often from visitors who were themselves shop floor workers. Visitors, who were allowed to go anywhere and talk to anyone as long as they observed safety rules, reported that they found the level of openness refreshing and surprising.

#### *Improving consultative processes*

The drive to include improvement in consultative processes as a component of the Change Project application came from me, because I had observed the inadequacies of the processes of the Works Committee from the perspective of the shopfloor during the period of participant observation in June 1991. The Shop Stewards backed me strongly in this push. The Works Committee, with its limited employee representation, was grounded in the adversarial paradigm common to union/management negotiations and its agenda was to deal reactively to issues and

disputes that arose. It had little opportunity for conflict-free participation in management decision making.

By contrast, the Consultative Committee was established to allow management and workers the opportunity to consult. Its membership comprised the two union Shop Stewards, representatives from day and afternoon shift production departments, a representative of the women workers and representatives of the administrative workers. Shop floor representatives were elected by the workers in the area they represented, whilst management representatives were appointed by management. The Committee first met in February 1992 and had a membership of 16. By mid-1992 its membership had stabilised at 19 and there were more employee (11) than management representatives (8). The employee representatives were, by dint of their representative status, workers of influence. One of the new members of the Committee to join in May 1992 was a representative of the supervisors, the middle management at MML (and regarded by the workers as a management representative), to provide this group with a voice. The Committee met about fortnightly, depending on the business on the agenda and minutes of the meetings were distributed to each Department in the company. Formal Guidelines for the conduct of the Committee were drawn up to provide agreed rules of behaviour and to set the boundaries of the Committee's operation. This was the first role of the Committee and it took several months of rich discussion to finalise; the process served as a common goal which aided the development of a team structure within the Committee. The Guidelines are attached as Appendix 2.

Although, according to the Guidelines, the Consultative Committee had advisory powers only, in practice the Committee contributed to management decision-making because the ideas that came from the Committee tended to be developed collaboratively between senior management (who were all on the committee) and the employees and were carefully thought through. Ownership for particular ideas was established through the involvement of workers, both those who had formal roles on the Committee and others with interest in its work. The Plant Manager was quick to

give credit to ideas from the Committee and actively used the Committee as a sounding board. This is not to suggest that the Committee acted with one voice. On the contrary, there was often heated debate, disagreement and conflict over particular positions, however, the debate was open and it was rare for individuals from either side of the industrial fence to feel disenfranchised. The preparedness of people to state their views was highly valued and encouraged by the management and workers alike. It was common practice for the employee representatives to meet formally for 30 minutes before the full meeting in order to caucus their position on particular issues or to discuss issues that needed to be raised. This was sanctioned by the Plant Manager who saw it as 'evening up the balance', as the management team had plenty of opportunity to establish their position in management meetings. This continued throughout the period of the grant despite the cost of removing 11 direct workers from production.

#### *Safety Committee*

The other major forum for consultation at MML was the Safety Committee, which dealt with matters pertaining to occupational health, safety and welfare. The Safety Committee consisted of the Human Resource (HR) Manager, the Engineering Manager, the Production Manager and five HSRs, elected by the workers from both shifts. The HSRs were workers of influence with representative powers that were supported by the state government's OHS legislation. Although the operation of this Committee was not a result of the Workplace Change Program grant, it nevertheless made a significant contribution to change in the organisation. OHS was seen as 'common ground' for action by both workers and management and the public reputation of the company, outside its small customer base, rested on its approach to the management of OHS. Employee representatives were at pains to make it clear to management that OHS should not suffer in the process of organisational change. To give better control management and workers on the Consultative Committee agreed that the two committees should have some common membership and that the Safety Committee should be regarded as a sub-committee of the Consultative Committee.

This meant that minutes of the Safety Committee were tabled at the Consultative Committee meetings and OHS issues that were raised at the Consultative Committee were formally sent to the Safety Committee for resolution and action.

***Enterprise bargaining***

During the life of the Change Project, two EAs were struck at MML. The first EA was negotiated by the Plant Manager, HR manager, the Shop Stewards and union organisers. Negotiations commenced in early 1991 and took 14 months of discussions (which were described by the management as 'fraught') to complete.

When the time came for the second agreement to be negotiated, in August 1993, the Consultative Committee plus a union official from each union and the newly appointed Group HR Manager (from head office) formed the Single Bargaining Unit (SBU), the group responsible for enterprise bargaining (EB) negotiations. The agreement took three, one-hour meetings over a four-week period to negotiate. The speed of the negotiations was attributed to the openness of the debate and the fact that, before the formal negotiations commenced, management and employee representatives determined the process of negotiation. They agreed to lay their cards on the table, so that areas of common ground could be settled immediately and the time spent only on areas of difference. This was in keeping with the openness that had developed in the organisation and commonly referred to as 'honesty without fear'. The second EA built on the contents of the first but there were major differences to be negotiated with respect to working conditions, the acceptance of productivity improvements and coverage of the Agreement. Despite the agreement of openness, the Group HR Manager, freshly appointed from an adversarial job on the waterfront and not in tune with the MML culture, chose to hold a bargaining point to one side. Debate became heated during the last meeting until his position was revealed. Had this not occurred, the Agreement could probably have been struck at the first meeting.

A formal program of sharing the productivity gains made by team-based suggestions, called the Continuous Improvement Program (CIP), was implemented as part of the move to lean production. A percentage of savings to the company was paid to team members for the outcomes of specific process improvement projects that they undertook. These varied from small 'encouragement' awards to thousands of dollars. The management's intention was to reward those who were involved in process improvements and encourage others to participate. One outcome of the second EB was to formalise this program and reach agreement about the annual financial benefit (to the company) that should be reached to trade off against wage increases. The outcome was that employees agreed to mandatory participation in the CIP, not voluntary, as had been the case. This was to have ramifications that are discussed later.

A point that was left unresolved in the second EB negotiations was the idea of profit sharing. The workers had been introduced to the concept of profit sharing by the CAL personnel, who described it as an important feature of their model of lean manufacturing. CAL employees were paid a twice-yearly bonus, which was a percentage of the profit that the company realised and reported to be in the vicinity of $US1,500 - $US3,000. This was paid in addition to the CIP payments that they received in common with MML employees. The idea of profit sharing was attractive to the MML workers (although the Shop Stewards questioned what might happen if the company operated at a loss). At the introduction of lean production the management had spoken positively about profit sharing, but during the EB negotiations flatly refused to discuss it as an option, stating that it was a corporate policy not to pursue profit sharing. The option was dropped from the agenda early in negotiations, but not before it had demonstrated to the workers that the company was prepared to 'accept our ideas but is not prepared to be generous in return' (File F5,1993: 147). Despite this, there was a positive response from the worker representatives to the overall outcomes of the EA and the manner in which the negotiations had proceeded.

***In-house newsletter***

As Change Project Coordinator, I initiated a monthly newsletter at the beginning of my consultancy. I wrote the first three editions but after this time most of the copy came unsolicited from shop floor people and managers. The newsletter was an additional source of information, a place for airing of ideas and for giving out information and it was used for this purpose by some of the workers of influence, as discussed later in this thesis. By late 1993 the editorship of the newsletter was handed to a volunteer team of five shop floor people who participated in a two-day training program on newsletter design and production.

***Employee training and job redesign***

Although these two areas were treated separately in the Workplace Change Program Application, in practice they were largely combined. Following the third Benchmarking Mission to CAL in the USA, agreement was reached with the government to reallocate some of the funds from the grant to enable a team of trainers from CAL to come to MML to train MML personnel in CAL's version of lean production. Two trainers from CAL arrived in July 1992 and conducted 'Level 1' training for 30 management, administration and production personnel, over two and a half days. Attendance at the training was discussed at the Consultative Committee and it was agreed that the committee itself, being representative of the plant, should form the core of the participants list. Others included were some supervisors, people with training responsibilities, people who had attended the earlier WCM training and some head office managers. Barry Taylor, the worker representative on the benchmarking trip to CAL, was nominated to attend by the employee representatives on the basis of his level of understanding of lean manufacturing, MML shop floor processes and his perceived level of influence on the factory floor (File 2, 1992: 36, 39). At the end of the program, the worker representative on the Consultative Committee from administration summed up the feelings of the trainees in an article for the staff newsletter,

> ... this was something we could believe in because CAL have actually made it work – it's not just a bunch of theories in a book ... if they can do it, so can we (MML Staff Newsletter 1(8):3, July 1992).

In the same issue of the newsletter Barry Taylor wrote,

> The presenters openly shared the problems they encountered with the introduction of lean and pull systems. This sense of realism was comforting to us. ... I visited CAL in the USA and saw first hand how their business operates. They told us that they have only been working with lean manufacturing for twelve months. Knowing that we are starting off in a better position than they did, the gains that we can all make at MML by introducing what we have learnt and are still to learn, will be great (MML Staff Newsletter 1(8): 3, July 1992).

Level 1 participants were then invited to help conduct the next level of training, a three-day program, aimed at everyone in the plant. This training, which commenced in late July 1992, was conducted by a team of five trainers from CAL (including three shop-floor personnel) in collaboration with MML personnel. By mid-October 1992, the entire plant (of over 200 people) had attended a three-day training program in lean production techniques and had practised using the skills during the training program. As each group completed the training program, the invitation to be involved in training the next group was extended. This 'cascading' form of training proceeded throughout the training program. In this way, many people from the shop floor who had never addressed a group of people were trained how to train and make presentations. Some identified this as personally important as they felt they had acquired new skills (Notebook 5, 1992: 22).

The training consisted of six modules:

> Introduction to a New Manufacturing Paradigm;
> Discovering Waste;
> Eliminating Waste;
> Visual Controls and Workplace Organisation;
> Pull Systems;
> Clearing the Path. (CAL training materials, 1992)

Despite the unfamiliar American rhetoric, the activity-based training program engendered high levels of enthusiasm amongst the participants. Participants on each training course were divided into four teams, each given the name of a colour. They

were encouraged to build their team spirit through group presentations and problem solving. Most teams wrote team songs or poems, which operated to develop a sense of fun as well as competition between the training teams. Together, participants learned how to work out where savings in processes could be made, how to identify value-added (VA) and non-value added (NVA) steps in a process, how to cost these, how to focus on and reduce the NVA steps to improve the overall process and how to control processes visually. By identifying and working through actual problems that existed on the factory floor, new skills were learnt. The result was a factory of people keen to use their new skills.

Throughout the period of the training, the physical working environment at MML was transformed. The most obvious change involved the factory store, where incoming goods were received and housed. A 3 metre high, cyclone fence surrounded the store and the single entrance was guarded by the storeman, always dressed in a traditional grey dust jacket. Many items held in the store and critical to production were regarded as 'attractive' and potentially at risk of theft. The level of trust that was built up between management and the workers during the lean manufacturing training was symbolised in the changes to the store. These were initiated by a department located adjacent to the back of the store. When the members of the department examined the work that was required to manufacture a particular component, they discovered that they had to walk 400 metres to collect parts that were usually held at the back of the store, just on the other side of the fence. This was identified as NVA work. If the fence were not there, or if the parts were delivered straight to the department, then considerable wasted effort could be removed from the production process. Other departments found similar anomalies and the redesign of the store and a change in duties of the storeman from guard to guide for suppliers and in-house expert on storage systems was the result. Parts that could be stored in production departments were moved to new, clearly labelled locations, (adopting the attitude of 'a place for everything and everything in its place'). In the process, old stocks of parts that had been lurking in hidden places, sometimes for years, were re-discovered and a reconciliation of actual stock-on-hand

against the MRP II system was done. Next, the store was redesigned as a one-way 'flow-through' system instead of a cul-de-sac. The fence, so long the symbol of distrust, was removed amidst formal celebration and workers were given direct access to their parts. The redesigned store gave better and safer pedestrian and forklift access. Consistent placement of goods in labelled bays that could be accessed from both sides allowed product to be used on an efficient 'first-in-first-out' basis and prevented parts from being hidden at the back of shelves where they would be allowed to rust. Improvements to processes throughout the plant led to over a million dollars worth of inventory being removed from the factory floor by the end of 1992. This meant savings in floor space, a valuable commodity. In mid-1992 MML management were considering renting adjacent premises to house a new production department for the manufacture of export components. However, the reduction in inventory freed sufficient space on the factory floor to enable the work to be located under the same roof as the rest of the company (Report 4, 1992: 6, 52).

During the lean manufacturing training, some shop floor departments began to control the processes they worked with, by designing their own process control systems using kanban cards and visual controls. The limits of their self-directed work were defined by the 'acid test' (see Appendix 3), which asked a series of questions about the changes they were proposing. If the answer to all the questions was 'yes' then the workers were invited to 'just do it'. The lean manufacturing training was the foundation for the transformation of MML from a 'push' system, where raw materials coming in and data from the MRP II system drove the production process, to a 'pull' system, where customer demand stimulated production. Coupled with visual control systems on the shop floor which were designed and operated by shopfloor operators, the day-to-day control of production processes was, in effect, handed to the factory floor, with the MRP II system being used only to track stock. By the end of October 1992, most factory floor departments had changed their physical working environments. Some were managing production processes (with varying success), ordering raw materials and liasing with customers and suppliers. Thereafter, some departments gradually

changed as the roles of leading-hands and supervisors were absorbed into the jobs of the process operators. The formation of teams, which had been on the management agenda since the negotiation of the Workplace Change Program application, began to happen with little or no management intervention, but with management encouragement and support. That is, production workers themselves spearheaded the move towards no direct supervision and increased autonomy on the job. In these departments-cum-teams, the supervisors were re-designated as Team Coordinators and their role was changed from controlling work flows and ordering people to perform tasks, to supporting, training and mentoring. As teams evolved further they gradually took over all of the old supervisory responsibilities and the Coordinator was absorbed into the team as a team member, with no loss of pay. This transition was not universal in the plant. The press shop chose to keep their old way of operating and retain their supervisor. The toolroom and several shop floor departments chose to label themselves as 'teams' and implemented kanban systems and visual controls, but the Coordinator continued to act as a supervisor, maintaining work flows, allocating labour and controlling the liaison with customers and suppliers.

Not everyone at MML found the changes or the pace of transition comfortable. During the training one highly skilled robot operator, known to other workers as a 'loner', resigned saying he did not want to have to talk to people and was frustrated by the HR manager's insistence that he participate in the lean manufacturing training. The management was not able to provide him with a non-team based place in the organisation although the loss of his skills was regretted. Two supervisors also found positions in other companies anticipating that their supervisory roles would have limited life in the new organisation. Overall, in the first months of lean production, there was an atmosphere of excitement and joy in the plant as people discovered their own talents and were given the opportunity to use them. Although there was conflict, people were given the skills and support to manage it and they were often able to find the constructive elements in conflict.

Lean manufacturing training was a highlight of the 1992 calendar at MML, but this activity was not the only important training work that was done. In fact, training of shop floor workers had been an important and constant item on the agenda of the Consultative Committee since its establishment. By June 1992, the employee representatives were expressing their disgruntlement with the in-house training being offered at MML. They were concerned that some workers gave up their Saturdays to attend company-conducted classes in robotics and welding with no pay or other support. The courses were conducted over many months, were not accredited and there was no guarantee of increased wages on completion of the programs. As a result of these concerns, the HR manager proposed that a sub-committee reporting to the Consultative Committee be established to deal with training matters. After out-of-session discussion on the idea, the employee representatives decided to support it, recognising that training was an area that was subject to management control. They recognised that it could be valuable to have the opportunity to influence the management thinking in this area (File 2, 1992: 22). The committee was established with three shop floor workers and the HR assistant. One shop floor appointment was a member of the Consultative Committee in order to establish a link between the two committees. The other two appointments were made by Consultative Committee and were drawn from outside the committee. These two people were already involved in the delivery of shop floor training, were regarded as influential and were obvious appointments to make. The existence and role of the Training Sub-Committee was subsequently formalised in the 1992 EA. By November 1992, the training sub-committee was active and provided reports to each Consultative Committee meeting. Although the issue of the in-house welding and robotics training was not resolved by then, other matters had been. For example, to avoid charges of nepotism being levied at management by the workers, a transparent process of advertising for and selection of attendees for training programs was developed and implemented. Four shop floor people were given the opportunity to attend 'train-the-trainer' programs and be actively involved in presenting training to other workers. Finally, discussions about MML being used as a site for the testing of a new, accredited certificate course, the Engineering Production Certificate (EPC), were well underway with the

State government (File 2, 1992: 144; Notebook 5, 1992: 53) and the committee led the push for competency-based training to be the norm for the company and to have wages tied to the recognition of skill (Report 5, 1992: 43). This move was perceived as taking the control of training away from management and giving it to the shop floor. By April 1993, the training sub-committee had taken on considerable significance with the regular involvement of the Training and Development Manager from head office (who was regarded with less suspicion that other head office managers), who came to MML specifically to attend these meetings (Notebook 6, 1993: 62). At the request of the QA Manager, the sub-committee expanded its brief to cover training for the trades, QA and clerical employees. Thus, its role as an advisory group to management and the Consultative Committee was established (Report 7, 1993: 35). By the end of the research period, the training sub-committee remained active and continued to be sponsored by the Training and Development Manager. It had successfully negotiated a State government grant to fund a literacy and numeracy training program, had overseen the development of MML-specific training modules for the EPC to enable employees to receive accreditation (and therefore wages) for in-house training and considered itself to have 'made good use' of the funds from the Workplace Change Program (Notebook 8, 1992: 33). The management of training was an important area for shopfloor workers to have direct influence over and thus they were able to participate in management decision making on this topic.

## MML: March 1994

At the commencement of the Change Project, despite moves away from an autocratic style of management, shop floor workers still had limited autonomy or power in the workplace. Their individual control was limited to whether they chose to come to work or not on any given day, whether they chose to report injuries or not and whether they chose to put up suggestions for process changes through their supervisors or via the suggestion scheme. All of these decisions were influenced by the presence of incentive schemes; an attendance bonus for regular attendance paid monthly, shopping vouchers and a free lunch when milestones in time without LTI

were reached and the occasional monetary reward when an employee suggestion led to savings for the company. Supervisors told shop floor workers who should do what and when it should be done, what to build and how much of it should be built in the shift. Some workers collected SPC data but were not allowed to act on it, this was the province of the quality inspectors, supervisor or leading hand. Quality inspectors conducted all first-off inspections, destruction testing and sorted out any problems that were reported by the workers.

By the end of the Change Project and with the introduction and adoption of lean manufacturing, there were significant changes. Shop floor workers' responsibilities included the design and operation of the pull system for their team, which meant they were able to control scheduling of the work to meet customer demands. Teams decided who did what and when on a day-by-day basis, sometimes through a team-appointed leader, or as a group decision. All quality inspections were conducted by team members and they also liased with external and internal customers and suppliers. Team members actively brought their intellectual capital to the workplace and sought improvements in the quality of product and process and devised and implemented the resultant changes. Some teams were able to attend to specified maintenance procedures and machine setting, depending on the nature of the machinery they operated, the training of the workers and safety issues. Some teams collected data for company statistics that had once been the province of supervisors. By the end of the grant period some teams had accepted considerable power and autonomy; but it was not without cost. With reduced inventory on the factory floor, as a result of CIP initiatives and the introduction of the pull system, there was a smaller margin for production error which meant that although teams operated with increased autonomy they were under increased tension and stress to meet customer-imposed deadlines. Agreed levels of savings to the company arising from the CIP were included in the EA meaning that pay increases were contingent on continuing CIP performance. That is, involvement in CIP activities was institutionalised and was no longer a voluntary activity. At the same time, management retained the power to pay or not pay the attendance bonus, being adamant that it would not be

included in the EA, while continuing to keep wages as low as the Industrial Award would allow.

Over the period under study, there were shifts in power and shifts in autonomy and job control experienced by the workers that arose from the organisational changes at MML. Some of these changes were regarded as positive by the workers, some less so. The changes that occurred in the plant were not all proposed by management, some originated on the factory floor or were modified by the workers. None of the changes was imposed on a passive workforce; rather, the workers at MML played an active role in organisational change in the company, they suggested some changes, mediated some and blocked others. It is the nature of leadership and change agency demonstrated by the workers of influence, who played significant roles in organisational change at MML and the shifts in power and control in the workplace that are the subjects of analysis in the chapters which follow. These are illustrated with more detailed and specific narratives from the data.

# Chapter 4
# Leadership, Change Agency, and Workers of Influence

## Introduction

In February 1992 MML had a newly formed Consultative Committee, its first registered EA and an active Safety Committee. There was an established regime of information dissemination from management to shop floor via memos and weekly 'State of the Nation' presentations by the divisional manager to the whole company at each Wednesday's shift changeover, monthly half-hour safety talks in each department by supervisors and elected HSRs and readily available and planned training for shop floor workers. The Change Project on which the company was about to embark, was aimed at improving and expanding some of these activities, most particularly, the consultative processes and training. On the shop floor the mood was a mix of cynicism and cautious optimism; things were 'better than they were five years ago, here's a chance for improvement – let's see what happens', said one union Shop Steward (Notebook 1, February 1992: 3). A certain group of workers emerged at MML that was to play a significant role in the changes in the organisation, demonstrating leadership and change agency. This group comprised the workers of influence. This chapter examines the notions of leadership and change agency in organisations, with reference to the literature and analyses their applicability to the workers of influence at MML during the period under study.

## The nature of leadership

The organisational change literature refers to the role of leaders during organisational change, both from theoretical (such as Mohrman, Mohrman, Ledford, Cummings, and Lawler 1990; Burnes 1992) and case study perspectives, drawn from the experience of real organisations (such as by Whyte and Whyte 1984; Pettigrew and Whipp 1991; Clark 1995). Within this literature, leadership in the organisational setting is a construct that is most generally applied to people with legitimate, or positional power in the organisation. French and Raven (1959) first define legitimate power as 'the perception by P that O has a legitimate right to prescribe behaviour for him' and that P accepts 'that O has a legitimate right to influence P and that P has an obligation to accept that influence' (French Jr and Raven 1959: 151). A basis for such power arises from the occupation by O of a superior position in the hierarchy than P. French and Raven assert that where formal organisations are concerned, legitimate power exists between offices rather than between individual people (French Jr and Raven 1959). Thus, people occupying positions such as the chairs of company boards, senior and middle managers and supervisors will have legitimate power and they will be regarded as leaders because of this power. This section examines the construct of leadership in the organisational setting and determines its applicability to shop floor workers *without* legitimate power.

### The notion of leadership

Despite the fact that the literature on leadership is very large and ideas about leadership have been discussed for centuries, no unifying definition of leadership has emerged that satisfies all researchers. The sometimes conflicting functions of leaders, described below, engender confusion and mitigate against a unifying theory (Pettigrew and Whipp 1991: 138-143). Leaders appear in a variety of guises. For example, leaders in hierarchical positions, leaders wielding coercive power, leaders creating and sharing a vision, leaders as agents of influence, leaders as communicators, leaders as social beings, leaders as teachers and so on. Indeed, as Stogdill asserts, leadership, has as many definitions 'as there are persons who have

attempted to define the concept' (Stogdill 1984: 259). Other factors confound clear thinking about the concept; in particular, the implicit perception of leadership as a property possessed by only some people, the effects of the influence that followers have on leaders and the influence of the context on the leader. It is this confusion that led Foster in 1986, to declare that the idea of leadership should be reconstructed to provide clarity of meaning (Foster 1986: 7).

Nearly twenty years earlier Gibb, defining the term from the perspective of the follower, suggested that leadership was the 'influence of one's behaviour by that of another' (Gibb 1969: 9). Bass (1995) reviewing the previous thirty years of literature, acknowledges this and suggests that the hunt for a 'true definition of leadership seems to be fruitless' because the appropriate definition depends on the method used to observe leadership, the epistemological stance of the observer and the purposes to be served by the definition (Bass 1995: 12). In seeking to redress this he provides an overview of the range of definitions taken from the literature, which he organises around 13 different approaches to the role of leadership. These include leadership: as the focus of group processes, as a personality attribute, as the art of inducing compliance, as an exercise of influence (particularly when outside role requirements), as a particular kind of act or behaviour, as a form of persuasion, as a power relationship, as an instrument of goal achievement (including envisioning goals), as an emerging effect of group interaction ('leadership exists when it is acknowledged or conferred by other members of the group'), as a differentiated role, as the initiation or maintenance of role structure, or as some combination of these (Bass 1995: 6-11). In effect, four broad domains of thought about the nature of leadership have arisen from the literature, depending on the approaches taken by the researchers: leadership as a series of personal traits possessed only by a few, leadership as a relationship between the leader and the led, leadership arising from a given context and leadership as a social construct. However, these domains are somewhat fuzzy, are not mutually exclusive and examples from the literature sometimes span more than one domain.

Of the approaches Bass mentions, some put emphasis on the traits of the leader as an individual, while others place the individual leader in the context of a particular social situation. It is the latter type of approach that found favour with Murphy (1995) who suggests that leadership is a function of a social situation rather than a set of personal traits; that is, it requires a sociological rather than a psychological approach. Considered from this perspective, leadership will have a temporal basis, dependent on the circumstances of the group and leaders will come and go as the group requires, that is, leadership will depend on context. As Murphy quips, 'groups do not act because they have leaders, they secure leaders to help them to act' (Murphy 1995: 14). Years before, Bavelas also distinguished between leadership considered as a set of personal characteristics and the idea of leadership as an organisational function arising from the distribution of decision-making powers throughout an organisation (Bavelas 1969: 17). Smircich and Morgan more recently define leadership as a social construct and leaders in terms of the way in which they provide meaning to events for others in the group, a 'process of power-based reality construction' (Smircich 1995: 19). A focus on relationships is similarly paramount in the view of Wheatley, who agrees that leadership is contextually dependent, but suggests that 'the context is established by the *relationships* we value' (Wheatley 1994: 144 – original emphasis). Greene (1995) and Sanford (1995) point out that leadership is a relationship between the leader and the led and that there is mutual and reciprocal influence between them. The argument that reciprocity, the rule of obligation that says that 'we should try to repay, in kind, what another person has provided us', is a powerful influence used by leaders to gain compliance is convincingly put by Cialdini (1984: 17). Sanford asserts that in a free environment (such as evolving teams where team leader selection is left to the team members, as was the experience at MML), the leader most likely to persist will have a relationship with the followers that is 'reciprocally rewarding to both leader and follower' (Sanford 1995: 132). Using this relationship, the leader will then have the capacity to mobilise others while at the same time setting constraints on followers' actions, that is, the leader establishes boundaries (Kanter 1983: 249). Bennis enunciates basic ingredients of leadership, some or all of which, he claims, are shared by most

leaders: possessing a guiding vision; enthusiasm or passion for a course of action which inspires hope in others; integrity which includes, self-knowledge, candour and maturity; trust (which he suggests was a product of leadership rather than an ingredient); curiosity and daring (Bennis 1989: 39-42).

In the Australian context, Irwin's recent discussion on leaders is drawn from research into the cultural aspects of leadership in three large national companies across three states of Australia. The research concludes that the role of the leader is to provide,

> ... a vision that helps a follower to envisage ... what the future holds for them personally and a plan to get the follower safely across the gap between now and that future state (Irwin 1996: 9).

He develops the concept of the leader as a 'bridge-builder', providing 'bridges for transition' to enable followers to reach the imagined future state. The leader's success is heavily dependent on a capacity to be seen to identify with and respond to, the emotional needs of his or her followers. To do this, leaders must be prepared to show something of their own emotions and the depth of the care they have for their followers' well-being (Irwin 1996: 9). Irwin's findings, while insisting on the existence of particular leadership traits, are consistent with the school of thought that considers context and relationships important in the manifestation of leadership.

The definitions of leadership found in the literature on leaders in organisations tend to use managers or senior executives in organisations as exemplars; that is, people with strong, formal legitimate power (Bacharach and Lawler 1980: 35; Foster 1986; Bennis 1989; Cairnes 1992; Mant 1997). However, if as Foster asserts, leadership is a 'transient phenomenon ... which can be practised equally well by different social players' (Foster 1986: 3), or as Pettigrew and Whipp suggest, that leadership is a process of directing energy and that leaders may operate at different levels within the organisation (Pettigrew and Whipp 1991: 143-145), then the idea of viewing leadership as a set of attributes and behaviours only available to those with legitimate power will always be subject to debate. Certainly there are many examples of leaders in organisations who hold dominant positions of power in the organisational

hierarchy, indeed such people were evident at MML, but as this research shows, leaders also exist who are on the *same* hierarchical level as their followers. That is, they have no legitimate, organisationally-conferred, power over their followers, instead their leadership status is bestowed on them by their followers. Etzioni (1961) first identified the existence of such people, calling them 'informal leaders' and defining them as those 'who have personal but not official power over lower participants' (Etzioni 1961: 90). He describes their importance in organisations in terms of the degree of compliance that they might expect. Although he asserts that they could be relied upon to retain compliance during change or in a crisis, they could not be relied upon to maintain control over routine processes of production. This is because their leadership, being without organisational backing, is inherently less stable than that of formal, organisationally appointed leaders with clear legitimate power. Bass offers a broad 'handbook' definition of leadership such that particular personal characteristics might be regarded as identifying a leader given a particular organisational context:

> Leadership is an interaction between two or more members of a group that often involves a structuring or restructuring of the situation and the perceptions and expectations of the members. ... Leadership occurs when one group member modifies the motivation or competencies of others in the group ... any member of the group can exhibit some amount of leadership and the members will vary in the extent to which they do so (Bass 1995: 11).

Since it satisfies the different positions on leadership found in the literature and it fits the observations of the current research, Bass' definition is used in this thesis.

This research builds on the ideas discussed above, which are otherwise largely neglected in the literature. Indeed the concept of the informal leader could be said to have a precarious existence, which is unfortunate given the important role this group can have in the processes of organisational change that are identified in this research. Instead, the concept tends to be marginalised, denied or treated as a threat.
For example, McLagan and Nel (1995), in discussing the move towards participative organisations, merely acknowledge the existence of informal leaders, suggest that they can perform 'leadership acts', state that they are 'important', but then focus

their discussion on the changing role of formal, managerial leaders (McLagan and Nel 1995: 91, 98). Han advances the view that formal organisations contain an informal organisation that arises from the interpersonal relationships of the members of the formal organisation. However, he denies the existence of mandated, or informal leaders (Han 1983: 27). From the practitioners' perspective Hodge, recognising the power of informal leaders, advises supervisors about how to develop cooperative relationships with informal leaders who are 'given deference by the ... employees' and suggests that the mark of effective supervision is to minimise the influence of the informal leader (Hodge 1980: 41). This research suggests that informal leaders should be made the focus of attention so that more can be learnt about their role in organisational change, that organisational theory should be adjusted to incorporate this role, that practitioners take notice of their existence and use them in planned organisational change and that the workers of influence recognise themselves as an influence in organisational change and overtly develop and use their skills and expertise. Who were the workers of influence and how can the literature on leadership be applied to them? These matters are discussed in the following sections.

## Workers of influence

The processual action research approach, adopted in this case study, provided the opportunity to examine group processes undergoing change over time. In this context, a group of shop-floor workers on the lowest levels of the organisational hierarchy and with no supervisory power (or legitimate power), emerged as informal leaders and are called 'workers of influence'. They possessed the traits of leaders as identified by Bennis (1989) and described above, their actions guided the development of the groups they led, their perceptions shaped the expectations and perceptions of group members as Bass (1995) describes and they were sometimes influential in determining the nature of the groups they led.

There were two dimensions used to identify workers of influence in the case study data. Firstly, individuals had some power vested in them by their peers in the

workforce and had influence over them. Secondly, they had access to the processes of management decision-making within the organisation and exerted influence on management decision-making. That is, their influence was not limited to other workers but extended across various levels in the organisation, including senior management and was an important factor in shaping management decision-making.

Despite their identifiable and important role in organisational change at MML, the workers of influence did not recognise themselves as a category or group. Similarly, they were not recognised by either the assemblage of workers from whom they were drawn, or the management. Instead they were embedded in the body of shop floor workers and participated in production activities in the same way as other workers as is illustrated in Figure 3 below. This category of organisational change participant is newly identified by this research.

Three main categories of workers of influence were apparent. The first group, *representative workers of influence*, held representative positions that were formally recognised through peer-election to consultative groups (such as the Consultative Committee, the Safety Committee, the Training Sub-Committee, or the Quick Die Change (QDC) Committee). That is, their positions were obtained through election by their peers rather than on the basis of authority or status afforded them by management, although management approved of their existence. The second group, *advocate workers of influence*, occupied employee advocacy positions such as HSR or union Shop Steward (being elected to these roles and positions by their co-workers) without necessarily having membership of formal consultative fora. There were two sub-groups to this category, differentiated by management sanction, or endorsement of their position. HSRs were positions that were required by law, thus management sanctioned their existence and their activities and provided limited but tangible support to enable them to perform their functions. This included paid time to talk one-on-one and in groups to those whom they represented and the capacity to arrange those meetings during the working day, the opportunity to present their

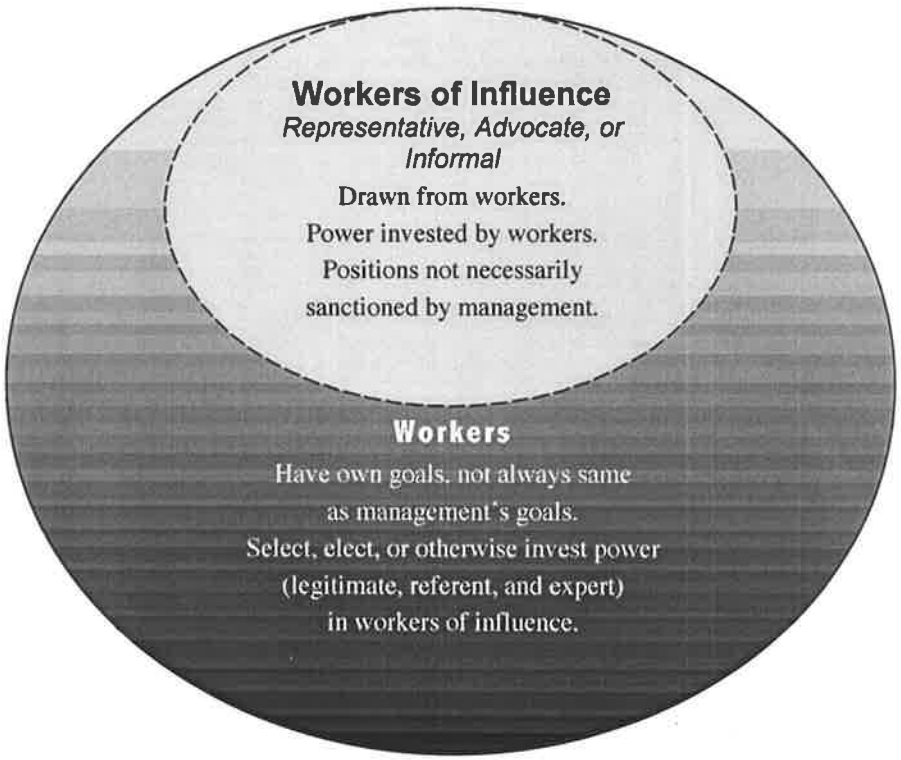


Figure 3. Workers of influence as workers

knowledge in group meetings (safety talks) and lockable filing cabinets to store papers pertaining to their role. The management was keen to be seen as generous concerning OHS matters given the company's reputation in the area, which it valued. Even in times of conflict the management welcomed the input of the HSRs to discussions. Union Shop Stewards, however, did not enjoy such generous or wholehearted endorsement. Although management-union relationships were cooperative, the parties approached each other with a degree of wariness. The role of the Shop Steward, although formalised under the Award (Metal Industry Award 1984 (Part 1): Clause 30), did not have the same degree of legal support as the HSR. The provisions of the Award, which was used as the basis for the EA, specified the Shop Steward as 'an accredited representative' of the union who would be allowed

the 'necessary time during working hours to interview the employer ... on matters affecting employees' (Metal Industry Award 1984 (Part 1): Clause 30(a)). Similarly, Shop Stewards were allowed time to consult with union officials and were given right of entry to the workplace and the capacity to investigate complaints as a union representative (Metal Industry Award 1984 (Part 1): Clauses 30 and 31). However, the implementation of these provisions was subject to agreement between the union and the company. At MML, the two Shop Stewards were given time to consult with individuals whom they represented but needed management permission to talk to groups of workers outside of breaks during working hours where this activity might impact on production. Both Shop Stewards were members of the Consultative Committee, in line with the Guidelines for the Consultative Committee, but not all HSRs were members of a committee. Thus there was overlap between the advocate and representative categories, with some people being both advocate and representative workers of influence. The third group, *informal workers of influence*, had no formal leadership role, but had access to significant information or experience and expressed their influence through the informal communication networks in the organisation.

All workers of influence held typical shop-floor positions such as process worker, machine operator, toolmaker, robot operator, welder, clerk, or administrative assistant and, being on the lowest rung of the organisational hierarchy, had no supervisory power or responsibility. That is, workers of influence were not recognised or formally defined by management as holding any type of leadership position within the *formal organisational hierarchy*; their leadership functions were separate from the organisational structure and were not rewarded by management through extra payment. Notwithstanding this, advocate workers of influence held formal positions that although not seen on the organisation chart, belonged in hierarchies outside the organisation. Thus HSRs, held a position within the external legal context of the organisation and Shop Stewards held positions within their respective union hierarchies. As is discussed later, these positions were the source of some of their power.

The tenure of workers of influence varied with time: and on this dimension three categories were identifiable: *transient*, *short-term* and *long-term*. Some people could be identified as being a worker of influence throughout the period of the research, others held this role for transient periods, while others held the role for a specific, short term. Thus, sub-categories in the taxonomy of workers of influence arose when time was considered as a factor. The long-term workers of influence represented a stable population in this group, but membership of the category varied throughout the research period; thus the line enclosing the workers of influence in Figure 3 is dotted to illustrate the potential for movement in and out of the group. Three examples of specific workers of influence are given below. The following matrix (Figure 4) describes the taxonomy of workers of influence. People's names in the matrix refer to the examples drawn from the data, which are described later in this Chapter. Vignettes covering each of the nine possible category combinations in the matrix are not included in this thesis because the range of examples given adequately covers the characteristics of the six basic categories.

| | | **Category of Influence** | | |
|---|---|---|---|---|
| | | **Representative** | **Advocate** *Sanctioned or /non-sanctioned* | **Informal** |
| **Category of Time** | **Long-term** | Ruth Everett | Gabor Szeto | |
| | **Short-term** | Steven Groenveld | | Barry Taylor |
| | **Transient** | | | Martin Reynold |

Figure 4. Taxonomy of workers of influence

## Representative and long-term worker of influence

Ruth Everett was a woman with a thick Irish accent and a fiery temper who was known to everyone in the company as a forthright person who would 'call a spade a

spade' and who was afraid of no-one. She had worked at MML for many years (an undisclosed number) and as she would say, had 'seen managers come and managers go' but had outlived them all. Throughout the period of the research, Ruth presided over Department C, an assembly area located between the Press Shop, the employee's canteen and the first aid room, nearby the men's washroom but somewhat away from other parts of the factory. The phone for the factory floor was in her area, so she acted as the gate-keeper for most calls to workers. With her in Department C, were two women and two men, all five being on the same wage level. Although she was physically isolated from most of the factory, she was adjacent to the factory floor 'nerve centres' with considerable people traffic through or past her area throughout the day. By contrast, the women's wash rooms were at the other end of the factory to Ruth's location, so she had reason to walk throughout the plant. Ruth knew what was going on in the plant and was one of the principal branches of the 'grapevine' - the informal communication network at MML. Messages for the factory floor could be channelled through Ruth with marvellous speed (and I made use of this from time to time). The women on the factory floor were located throughout the plant, but they often met as a group during work breaks. Thus, they could bring opinions and ideas from throughout the plant to one location with consummate ease and disseminate them back to the plant just as easily.

During the 1991 period of interviews, Ruth Everett was identified by one of her peers as a worker who 'had the ear of Don Riddoch', the Divisional Manager (worker interview, May 1991). It was Don's practice to walk around the factory floor each morning when he arrived at the plant. During his walk he would invariably stop to talk to Ruth and she would 'tell him like it is'. This was verified by Don (executive interview, May 1991). As an outspoken observer of life at MML she would complain to Don about inequalities, poor supervision, safety matters and any other issues that came to her attention and Don claimed that he took her opinions into account as being representative of many on the factory floor. To him she was the archetypal MML worker. Ruth's influence was recognised by her peers; she was used as a sounding board when people had concerns, she was willing to share her

opinion on matters and she was elected to the inaugural Consultative Committee as the representative for the day shift women and for her own work area. Ruth took her invitation to meet with management and contribute to decision-making at the plant seriously. She continued as a member of the Consultative Committee throughout the period of the research and was one of the stable, long-term workers of influence at the plant.

### Informal and transient worker of influence

Although he worked in isolation in a welding booth for most of each shift, Martin Reynold met with a particular, small group of MML workers at each break. They regarded themselves as the factory intelligentsia; they read widely and discussed politics and economics and discussed the future of the automotive industry. Martin's influence was limited to his discussion group until he attended the lean manufacturing workshop in October 1992. Reports from the participants in his workshop team indicated that they were unaware of his views until then and found him 'an inspiration'. Following the workshop, Martin put pen to paper and wrote an article for the staff newsletter about the history of the automotive industry, about quality being 'a vital, integral part of all manufacturing work' and the optimistic future of MML as he saw it. His article was a discussion point for others and, as the editor of the newsletter, I received many favourable comments on it from other shop floor workers. Martin's isolation in his welding booth subsequently suffered many interruptions from other workers and managers who stopped to chat to him and ask his opinion. Immediately following publication of the article Martin became something of a celebrity and had influence on the thinking, not only of his peers, but also of management, who sought his views. In November 1992 the restructuring of MML by the corporate management took place and Martin's publicly expressed optimism was dashed. He continued to meet with his usual discussion group at work breaks, but he withdrew from wider discussion, thus his influence diminished. Martin Reynold was an example of a transient worker of influence who, although not a formal worker representative, influenced the thinking a wide peer group and

management for a short period of time. (Report 5, October 1992: 45-46; Notebook 5, October 1992: 46).

### Informal and short-term worker of influence

Barry Taylor had worked at MML for about eight years. He was a quiet individual who worked in the background but was known to many on the factory floor because his work as a shop-floor quality inspector took him to almost every department, trouble-shooting quality problems and conducting first-off tests and destruction tests. He was always respectful of people and his mode of speech was considered and gentle. When in May 1992 the factory floor was given the opportunity to elect a representative to travel to CAL in the USA on a benchmarking mission, Barry was elected almost unanimously. In a private conversation with me just before the announcement of the decision, the Plant Manager's initial reaction was incredulity, 'Barry Taylor? He's such a wimp!' However, he understood the importance of accepting the decision of the shop floor and a short while later, at the meeting at which the selection was formally announced by the Chair of the Consultative Committee, he applauded the decision. Barry turned out to be an inspired choice from the perspectives of both the company and the workers. He was someone who in the particular circumstances of the changes occurring at the plant was able to represent MML well overseas, as well as bring back a thoughtful assessment of what he had observed at CAL. He not only had the technical, engineering skills to appreciate the processes he had seen, but also he was able to talk fluently about the positive and negative aspects of the social environment to which he had been exposed. He had great credibility amongst his peers and was able to answer other workers' questions in a frank and open manner. He was able to calm fears and generate excitement in a projected future of worker involvement and participation and increased worker autonomy and control, although he was never given to proselytising about CAL as some managers had done. He was very influential in the acceptance by the shop floor of the move to lean manufacturing. His peer group in effect, secured Barry Taylor as a leader. His role was that of intelligence officer or

scout; to seek information on behalf of the workers and then act to restructure their perceptions and expectations based on his understanding of the new territory of lean manufacturing. He was able to do this because he was regarded as knowledgable, honest and as a true representative of the workers, not as a management stooge. Management also sought his opinion on the implementation of lean production in informal and formal settings, thus he was able to influence management decision making. Once the lean manufacturing training was completed, Barry's influence declined. He was no longer in the company spotlight and the rest of the plant was experimenting with new skills and knowledge, having had a taste of his experiences at CAL in their training. However, his opinion was quietly looked for frequently by both management and workers and he was invited to participate in many CIP teams as he was known as an 'ideas person'. That is, although he remained a worker of influence, his span of influence was reduced (File 1, May 1992: 167; File 2, June 1992: 18 - 22).

### Workers of influence as leaders

These three examples demonstrate the range of leadership that was apparent on the shop floor at MML before and during the period of the research. The transient leader whose opinions became discussion points on the factory floor and who led thinking on the changes in the plant for a short period; the elected travelling representative who, although accepting a short-term representative position, went on to have continued influence on the factory floor after his formal role ceased; and finally the elected, long-term representative to the Consultative Committee whose influence was recognised and formalised by her peers.

There were many workers of influence at MML. For some of them the recognition of their leadership potential was manifest by their election to positions in the company where they represented their peers. That is, they sought, or were given and accepted, the power to be the voice of the workers. As such, they were in a position to influence the thinking and behaviour of their peers as well as those above them in

the organisational hierarchy. They were leaders amongst the shop floor workers at MML. Others did not put themselves forward for formal representative positions but remained influential as leaders in the 'grapevine', the informal communication channels in the workplace. They were opinion leaders to whom others looked for advice and who might be found, for example, making a contribution to the staff newsletter or being vocal in discussions during work breaks.

The idea of the workers of influence resonates with Etzioni's (1961) model of informal leaders; people who were able to demonstrate personal rather than positional power. The relative instability of the leadership of Etzioni's informal leaders (1961: 90) is demonstrated in this research in the observation of the temporal nature of the leadership of the workers of influence and in particular in the transient and short-term categories of workers of influence. Notwithstanding this, some workers of influence demonstrated that the role could be very stable indeed. The workers of influence personified Bass's (1995: 11) definition of leadership; they provided structure for, or restructured the perceptions and expectations of the members of their group, they motivated others and were able to improve the competence of group members, for example by providing new knowledge or information. The workers of influence were not only leaders, but also people who contributed to the change processes at MML in various ways and at different times, as explored in the following section.

## Change agency

Within the discussion about change agents in the change management literature, two classes of change agent can be identified; internal change agents who are most frequently a sub-set of organisational leaders (see for example Kanter 1983; Pettigrew and Whipp 1991; Stace and Dunphy 1994) and external change agents who are most likely to be consultants or new managers brought in to make change happen (see for example Gray and Starke 1984; McCalman and Paton 1992; Williams, Dobson and Walters 1993). Like leaders discussed in the previous section, change agents tend to be assumed to be people with considerable legitimate power who act

to influence change (Ginsberg and Abrahamson 1991; Pettigrew and Whipp 1991; Armenakis, Harris and Mossholder 1993; Mant 1997; Butcher and Atkinson 1999). Indeed Buchanan and Boddy (1992) use the terms *change agent* and *project manager* interchangeably (Buchanan and Boddy 1992: 6) emphasising the assumption of a legitimate power base of the change agent, while Bass asserts that 'leaders are agents of change' (1995: 11). Although an external agent (the author) was used to assist the process of planned change at MML, this role is only alluded to in this part of the discussion in order that the concept of the change agent and its relevance to workers of influence can be examined, with reference to the literature.

## The concept of the change agent

What constitutes a change agent? External change agents, whether external to the organisation, or employees who are external to that part of the organisation undergoing change, have been the subject of criticism as well as the target for 'how to' publications in the popular management press (see for example Meltzer and Nord 1981; Huber and Glick 1993). From the organisational development (OD) model, McCalman and Paton define the change agent as someone who 'facilitates change in the particular area in which it is needed' (McCalman and Paton 1992: 144). They assert that the person can be internal or external to the organisation (although they argued that the effective change agent must come from outside the area where change is to occur) and must possess three attributes: a personality that allows a 'natural empathy' with those people in the area undergoing change, a combination of 'analytical and diagnostic skills' to enable effective problem-solving and 'client-related experience' so that they bring knowledge to the area (McCalman and Paton 1992: 145). These are demanding requirements, particularly when they proposed that the effective change agent needs sufficient expertise to be able to manage the tricky task of finding a balance between 'what they know is the correct solution' and the processes by which they facilitate 'the organisation's members to find their own answers to their own problems (McCalman and Paton 1992: 162). However, their work is essentially a collection of methods for the consultant change agent to

manipulate to impose their own ideas (or those requested or endorsed by senior management) in such a way that the organisation's members think they have found their own solution, rather than work to help the members of the organisation really identify and create their own approach to change. In line with OD practice, there is the somewhat mechanistic and overtly optimistic suggestion that an external agent can prescribe a better way for any given organisational situation. The methods prescribed by McCalman and Paton describe exactly the sort of change agency that Mant rails against when he defines some professional, consultant 'change-merchants' as individuals '*with a pathological need to create external chaos commensurate with his or her internal state*' (Mant 1997: 261 – original emphasis). These are the people whom Collins, in his critique of 'management gurus and their acolytes' (Collins 1998: xiii) considered to be part of a lucrative industry which eschews theoretical models and preys upon unsuspecting organisations with simple, prescriptive change models that are rich in metaphor but little else. Despite Collins' damning of texts by management gurus written for 'practitioners' (that is, managers in organisations or consultants to organisations) as being of little real value (and he specifically cited (Kanter 1983; Peters and Waterman 1984; Kanter 1989 and Buchanan and Boddy 1992) such texts contain insights that arise from observations in real organisations and should be usefully dredged for information rather than dismissed out of hand as 'non-academic'.

Other authors insist on the use of internal change agents. For example, Tribus (1989) asserts that the change agent must be internal to the organisation; that 'managers must be the change agents, because responsibility for change starts at the senior level'. He recommends that their skills be used in a collaborative fashion since the 'only way to find the "best" way is to work with those who must do the work and, with their help, determine the most effective procedure' consistent with an overall plan (Tribus 1989). Similarly, Söderberg (1989) concludes that change projects

> ... should be carried out from within the organization. ... Changes coming from outside the organization often lead to insecurity and resistance, especially if the employees do not feel that they can influence the process. (Söderberg 1989: 10 – original emphasis).

In practice, however, organisations use a variety of change agents, both internal and external, depending on circumstances. As is normal for large scale organisational change, at MML change was prompted both from within and without the organisation and both internal and external resources were used to plan and implement the change. The plan for change was defined within the organisation with assistance from external sources; consultants as well as government authorities. An external consultant (the author) was hired to facilitate the changes and a benchmarking partner company, CAL, was used as a mentor organisation and as a provider of on-site training. All of this activity was funded by government; funding that came with accountability to government for the outcomes of the process. However, it is the internal change agents at shop floor level, those who were able to influence the process and help others influence it too, who are the focus of this thesis.

Definitions of *change agent* are less frequent in the literature than descriptions of what change agents do, what competencies they require and how they should behave. According to Buchanan and Boddy (1992), change agents need to have an obvious and public profile, but to be successful they also need to be able to work in less visible, even covert ways. They describe the change agent's very necessary 'public performance' as well their need to engage in 'backstage activity', which is essential in reframing change in ways palatable to followers. In their assessment, the change agent is a politically astute facilitator who steers a creative path through the organisation's cultural systems to 'manage meaning', influence, negotiate and sell change (Buchanan and Boddy 1992: 27). The importance of covert action is highlighted in Allen's (1995) personal account of change agency. He describes the ability to 'casually work the [idea for change] into as many conversations as possible' and then 'repeat the principle in as many different ways as possible' (Allen 1995) as key actions for effective change agency. Warren (1997) suggests that the attributes of the successful change agent include intelligence, common sense, self-assurance, high energy levels, a willingness to work hard and good timing. The 'backstage activity' is implicit in Warren's assessment, especially in his assertion

that the change agent must be able to 'increase dissatisfaction with the status quo' and be able 'to meet resistance or rejection with persistence' (Warren 1997).

Being able to facilitate or engage in dialogue, that is, being a good communicator is identified as a key competency for the effective change agent. Buchanan and Boddy list communication and personal skills as key competencies (Buchanan and Boddy 1992: 124) and Allen suggests that the change agent should 'create opportunities for conversation' (Allen 1995). Hatch, drawing on Senge's (1990) work, suggests that discourse and dialogue are important contributors to organisational change because they reinforce the 'belief in the powers of collective thought' (Hatch 1997: 368). In the process of commencing or facilitating discourse and dialogue in the organisation, the change agent encourages organisational actors to be reflective about their thoughts rather than reactive to others. It is through careful communication, through engaging in dialogue and discourse, that the change agent can help steer people's perceptions and expectations and can thus manage meaning during the process of change.

Huczynski (1989), addressing people who train those concerned with organisational change, recommends that part of their effort should be directed at helping 'course members acquire and practice change agent skills'. However, he fails to identify what constitutes these skills. A few years later, Buchanan and Boddy (1992) were able to recommend particular competencies for change agents, but they emphasise that mere possession of these competencies does not make a change agent. Rather the *expertise* of the change agent is the capacity to judge when and where to use these competencies in the context of the organisation undergoing change (Buchanan and Boddy 1992: 87). They identify fifteen competencies in five major groups; *goals* (sensitivity, clarity, flexibility), *roles* (team building, networking, tolerance of ambiguity), *communication* (communication, interpersonal skills, personal enthusiasm, stimulating motivation), *negotiation* (selling, negotiating) and *managing up* (political awareness, influencing, having a helicopter perspective) (Buchanan and Boddy 1992: 92-93, 124). Other authors identify similar competencies, for example, flexibility of approach, persistence and the capacity to keep the change objectives in

constant view are identified by Cripe (1993) as requirements for the change agent, while (Werner and Lynch 1994) reinforces the importance of credibility and political awareness as key change agent attributes. Butcher and Atkison (1999: 30) stress the importance of managing up by allowing middle managers the opportunity to develop 'pockets of good practice' that act as examples to the rest of the organisation. Tribus (1989) defines a series of competencies similar to those of Buchanan and Boddy (1992) and Mant identifies political awareness (especially time spent listening and talking to junior employees or suppliers), leadership, intelligence and innovative thinking as key attributes of the change agent (Mant 1997: 36).

For the purposes of this thesis McCalman and Paton's summary already cited above: someone who 'facilitates change in the particular area in which it is needed' (McCalman and Paton 1992: 144) is used as a definition of *change agent.* This role is achieved by adoption of change agent competencies and expertise as summarised by Buchanan and Boddy (1992). Change agency, for the purposes of this thesis, is defined as the state of being a change agent.

### The change agents at MML

Who were the agents for change at MML, the people who facilitated change in the particular area in which it was needed, who analysed, initiated, coordinated, facilitated and discussed change? As Buchanan and Badham found in the organisations they examined, this was not a role that was taken by one 'hero' in an organisation, although some people were more influential than others (Buchanan and Badham 1999: 23). At MML, many people fell into the category of change agent, some for longer periods than others, some adopting different types of roles at differing times or in differing contexts. For example Andrew Marlin, the Production Manager at the beginning of 1992 was supportive of the Change Project, but was sceptical about the capacity in the company to 'make it happen'. When he was appointed to the position of Plant Manager some months later, he was suddenly thrust into the role of the leader of the Change Project, by virtue of his position and

the contractual arrangements of the company. From the perspective of management, he became the principle driver of change, pursuing the lean manufacturing philosophy and working to adapt the principles to the local conditions of MML. Andrew was treated with respect by people on the shop-floor and was recognised as someone who was 'trying to get it right' but who sometimes made mistakes. The rest of the management team played a significant role in supporting each other and presenting a consistent view about the change process to each other and to the shop floor. Each of the managers was seen, by his peers, as a person driving particular aspects of the change; the HR Manager driving changes in training, the Quality Manager driving the devolution of quality inspection to the factory floor and the installation of CNC machinery. The Engineering Manager attended to the physical installation and the politics of the transfer press line and the Materials Manager became a devotee of the CAL model of lean manufacturing, an expert in the design of pull systems and kanban cards who mentored many shop floor teams in their application. Supervisors also contributed to the process of change at various stages and times during the period under study. Over time there was a pattern of constant activity on the organisational stage with each of these people and their particular areas of responsibility, being caught in the spotlight for a short period. As Buchanan and Badham observe, it is not uncommon for change roles to be held for a temporary period within the context of a 'regular managerial day job' (Buchanan and Badham 1999: 25, 183), so these people were not formally named as 'change agents' in the organisation.

It is with people in formal management positions such as these that the literature on change agency focuses. This thesis acknowledges their importance, but is not concerned with the detail of their roles *per se*. Rather, the focus here is on the workers of influence on the lowest rung of the hierarchical ladder, the shop floor, who demonstrated the attributes already identified as belonging to change agents and who facilitated change in the particular areas in which they had influence. These people are relatively neglected in the examination of workplace change agents. The

following section applies the change agent literature to the shop floor level and to the workers of influence.

## Workers of influence

Buchanan and Boddy's (1992) group of fifteen competencies for change agents in combination with the expertise to judge when and where to use them is a useful profile for examining the applicability of the construct of change agency to the workers of influence at MML. The following examples demonstrate their concern with goals, their variety of roles, their capacity to negotiate and communicate and their ability to manage up.

### *Employee representative and backstage politician*

Gabor Szeto was a toolmaker and Shop Steward for MEWU who had worked at MML for over ten years. He was a critical thinker who took his role as Shop Steward seriously; he was in regular contact with his union organiser, kept his members informed about union activities and actions and regularly circulated union information. During work breaks Gabor Szeto held informal meetings with others, caucused opinion and used union input to reframe matters that had already been described by management. His job as a toolmaker meant he had access to people throughout the factory and he used this accessibility to engage people in conversation about issues the workers faced. For example, when lean manufacturing was proposed as a means to overhauling the organisation, Gabor Szeto was the first to raise concerns about the increase in stress that such an approach could have, citing materials provided by the union on the impact of lean manufacturing in the automotive industry in the USA. Other workers regarded him as credible, his supervisor (who was antagonistic towards the union) complained about the amount of time he spent on 'union business instead of company business', while the management recognised that it was better to have him 'on side' than 'off side'. As a Shop Steward, Gabor Szeto was a member of the Consultative Committee throughout the research period and became its chair in the second year of the Change

Project. He is classed as a long-term advocate worker of influence as well as a representative worker of influence.

At the commencement of the Change Project, following the first meetings of the newly formed Consultative Committee, the supervisors were beginning to feel threatened. They had been given the brief of redesigning their own jobs and understood that organisational and job redesign was a major pillar of the Change Project. Quite realistically, they believed this was a euphemism for 'get rid of all supervisors'. At this time, the employee representatives on the Consultative Committee, led by Gabor, were voicing concerns about the selection, training and role of supervisors. Given that the move to lean manufacturing would mean that the supervisor's role would change to that of a trainer-coordinator, why were they being trained in old-style supervision courses where they learnt to control rather than facilitate? They suggested that they be given team-building training instead (File 1, 1992: 95). Gabor was keen that supervisors remain members of the union given that the intention of management was that they would become 'part of the group' as team members in the future. It seemed logical to him that they should retain their solidarity with the shop-floor instead of being considered middle-management. In short, while the employee representatives identified supervisors as the main block to change, led by Gabor, they recognised the need to gain and retain supervisor support (Notebook 1, 1992: 3).

For their part, supervisors saw their subordinates engaged in increasingly frank discussions with management and one complained to me that, 'Our workers know more about what's going on in the place than we do. We've been forgotten' (Notebook 3, 1992: 17). There was an angry meeting between the supervisors which I attended, during which they voiced their concerns and fears vociferously. At that point they could decide to block the changes or work with them; they elected to 'be in it'. It was a move by Gabor Szeto the following day that calmed the debate. He recognised that the supervisors felt under threat and suggested to his fellow employee representatives that the supervisors should be represented on the Consultative Committee. He used the suggestion to plumb (successfully) for both the

supervisors' representative and the employee's representatives to have paid time to consult with their members. At Gabor's suggestion I made the first overtures about supervisor representation to the supervisors and management and before long the Consultative Committee was expanded to include a representative of the supervisors, although this position tended to be regarded as a management position. The presence of the supervisors' representative was read by the shop-floor workers as a symbol that the supervisors were willing to participate in organisational change and were supportive of it (File 1, April 1992: 148, 152, 162, 166).

During this process Gabor displayed the change agency competencies that Buchanan and Boddy (1992) define. He was sensitive to the perceptions of others about the changes in the organisation and clear about what might be done to engage the supervisors and make them feel less threatened. Gabor took the risk of presenting an option (the supervisors' representation on the Consultative Committee) that might have been seen by his peers as pandering to the traditional enemy but, being politically astute, he built into the option a positive outcome for both the supervisors and the workers in the form of paid consultation time. With this action he was able to influence two-way support. He stimulated commitment for the employee's position amongst supervisors, drawing them into the Consultative Committee as leaning towards the employees' perspective rather than the management perspective despite being regarded as part of management. He was also able to generate support and commitment for the supervisors' representative from the employee representatives. Gabor's prodigious network throughout the factory floor and with influential union people outside MML built his credibility and a made it easy for other representatives to follow his lead. Despite his vocal criticisms of the best practice rhetoric and the push for lean manufacturing, Gabor was able to deal with the in-built ambiguity and uncertainty of the proposed changes (including the new supervisors' representative position) by being positive about factors that would be likely to result in improvements in workers' working lives, while being simultaneously cautious about the enthusiastic claims of management. Gabor's communication skills and interpersonal skills were well honed and in constant use in

his daily discussions with people. He was able to 'sell' his idea to his peers and once they had endorsed the approach he was able to negotiate the position with the management. Recognising that he was not the best person to broker the new position with management, he was politically wise enough to hand this task to me as having better credibility with management at that time. He exuded an air of cautious optimism about the Change Project but at the same time was enthusiastic about small changes that he and other employee representatives were able to broker. Gabor's knowledge of best practice and lean manufacturing, gleaned from his reading of union materials and business magazines, in combination with the information about MML that he received from management during the Consultative Committee meetings, enabled him to take the 'helicopter view' of MML. His actions indicated that he could see where his input fitted into the overall, organisational landscape. He was an example of both a representative and advocate worker of influence.

#### *A way with words*

Steven Groenveld was a process worker in Department J. Outside of MML he was a lay preacher in his local church and he sat on the Council of his daughter's high school. He was known as someone who had a way with words. Although he was not a tradesperson, Steven Groenveld chose to belong to the craft union, MEWU, instead of the more conservative union, FIMEE, that generally covered process operators. During the period of participant observation on the shop floor (July 1991), Steven Groenveld had been very willing to talk to me about the culture of the organisation and his expectations. He told me that he wanted to be in a position to make a meaningful contribution to management decision-making, wanted to have a say that would be listened to before decisions were made, rather than engage in psuedo-consultation after the event. He was keen for a consultative committee with better representation from the factory floor to supersede the existing Works Committee of Shop Stewards and management because Shop Stewards had too little time to consult with their members. Spreading the consultation load wider he regarded as a positive step. Steven Groenveld considered it vital that such a committee should have a strong Charter to guide its operation. He wanted to be in a

position to be able to influence the MEWU-endorsed Charter being adopted by a consultative committee instead of the FIMEE Charter because he regarded FIMEE as being 'compliant with management' (from notes on participant observation, 1991).

It was some six months before the Consultative Committee was formed and operating, but Steven Groenveld was amongst the inaugural members, having been elected to that position by his peers. The then Divisional Manager had grave reservations about Steven Groenveld and told me he wanted to sack him, saying 'He's too negative, he doesn't belong here' (Notebook 1, 1992: 5). By coincidence (since Steven Groenveld knew nothing of the Divisional Manager's threat) within a few days Steven Groenveld had redeemed himself in the eyes of that manager by writing a 'heartfelt piece' for the staff newsletter on teamwork that impressed the Divisional Manager' (Notebook 1, 1992: 6). This was one of the first unsolicited employee contributions to the newsletter and probably came out of the positive reaction he had to the formation of the Consultative Committee.

One of Steven Groenveld's first actions as a committee member was to propose the MEWU-Charter as a charter for the operation of the Consultative Committee. Management also had a draft Charter developed by the Employer's Chamber of Commerce and Industry to bring to the meeting. Both were considered and it was agreed that the MEWU version was the better one to start with as a discussion point. Although it was not adopted in its entirety, it was used as the basis for discussion over the next few meetings. Steven Groenveld was delighted with this because the discussion was detailed and involved many outside the Committee through the employee representatives. He saw the discussion about the Charter as being an important first step towards a more participative workplace and encouraged other employee representatives to actively engage in discussion about the content with him and with the workers whom they represented. Guidelines for the Consultative Committee were eventually adopted by the Committee and although they were only rarely referred to for points of order, the process of developing them was important in establishing effective working relationships between the members of the Consultative Committee and in determining a stated role and operating procedures

for the Committee (File 1, 1992: 132, 147, 158, 165, 173, 177-178). The Guidelines are attached as Appendix 2. Shortly after the Guidelines were adopted by the Consultative Committee, Steven resigned from the Committee to give his attention to pressing family matters. However, he served on the Committee for two other terms of three and four months respectively during the period of the research. He is therefore classed as a short-term representative worker of influence.

Steven Groenveld demonstrated change agency competencies. He was aware of the importance of the Charter itself as a guide for the Committee's actions but he was also aware that the development process was an important political event and was able to guide the progress of its development. He was able to sell his idea about using the MEWU Charter as a guide for discussion to key management players and because he was clear about the importance of the project, he was able to encourage the input of shop floor workers who might generally have been apathetic to such a debate. Although he began with the stance that the Consultative Committee should simply adopt the MEWU Charter, he was flexible enough to be able to change that position to one of using the MEWU Charter as a basis for discussion because he could see value in the discussion itself. The outcome of such discussion and debate was clearly uncertain; Steven Groenveld had little control over the outcome, but he trusted the process and was able to function effectively in this ambiguous environment. He was enthusiastic about the Committee and the Charter, was committed to the process and, using his strong interpersonal skills, was able to communicate the importance of the Charter to his peers and management. Finally, he could see how the Charter fitted into a broader framework of participative management as a guide to action; fitting symbolically into a manufacturing culture that was already dominated by established, written, standard operating procedures (SOPs). His election to the Consultative Committee put him in the category of representative worker of influence.

## Workers of influence as change agents

Steven Groenveld and Gabor Szeto's actions were representative of the workers of influence during the research period. Despite their status as workers, not managers, they acted as change agents in the organisation. As demonstrated above, their activities and competencies echo those that are described by Buchanan and Boddy (1992) as being necessary for the change agent. Given their lowly formal organisational status, their capacity to influence upwards was critical to their success, a skill identified as necessary for the change agent (Butcher and Atkinson 1999). They provide empirical evidence that lack of positional power is no deterrence to the demonstration of change agency competencies and expertise, so it is realistic to apply the term 'change agent' to them. The skills they demonstrated were important components of the strategies workers of influence used to change their working environment. Certainly the extent to which they could engender change was limited by management control, but the fact of their influence was undeniable, only the scope of their influence altered during the progress of the research.

This research shows that the construct of change agency was applicable to the workers of influence at MML and that these shop floor people clearly acted as agents for change at various stages in the change process at MML. They acted within limits that were imposed by management, but were able to influence changes in management thinking, they were able to 'manage up'. The two examples cited, which were representative of other workers of influence at MML, demonstrate workers of influence as change agents in the early days of the research period. As the Change Project progressed their influence increased and workers were able to have a 'helicopter view' of the organisation; the view that lets the change agent see the overall effects of change as well as look forward to the horizon. Two items are necessary to allow the helicopter view; firstly, information on the 'lie of the land' outside the minutiae of the change project itself and secondly, the capacity to have direct access to management and input to management decision-making. This was offered by participation in the Consultative Committee, discussed in the next chapter.

## Conclusion

Although the literature uses senior managers and others with positional power in organisations as the exemplars of leadership and change agency, it is clear that these terms can be applied to the workers of influence at MML. In analysing the nature of the leadership and change agency of the workers of influence, these people can be described as the lost leaders in the organisation, people who help shape the process of change in the organisation, without the organisationally-sanctioned positional power that is invested in management. As Mant clearly identifies (1997: 35-37), good ideas that arise amongst lower participants in an organisation take longer to have impact than those generated by more powerful players. This does not imply a qualitative difference between the ideas generated by the more powerful players than lower order participants, merely that whatever the quality, the ideas that are brokered by those with power are more likely to be implemented. This implies that change initiatives generated at shop floor level will not reach the ears of those who have the power to make the difference unless mechanisms exist in the organisation to allow this communication to occur. At MML the activities of the workers of influence, acting as leaders and change agents, provided this mechanism. The characteristics of leaders and change agents at management level and at shop floor level at MML were similar. The critical difference in their capacity to influence change in the organisation was the level of power they were able to wield and there were observable limits on the boundaries of activity of workers of influence compared to management. The boundaries of workers of influence with respect to worker involvement and participation are discussed in the next chapter.

# 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

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

> 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).

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).

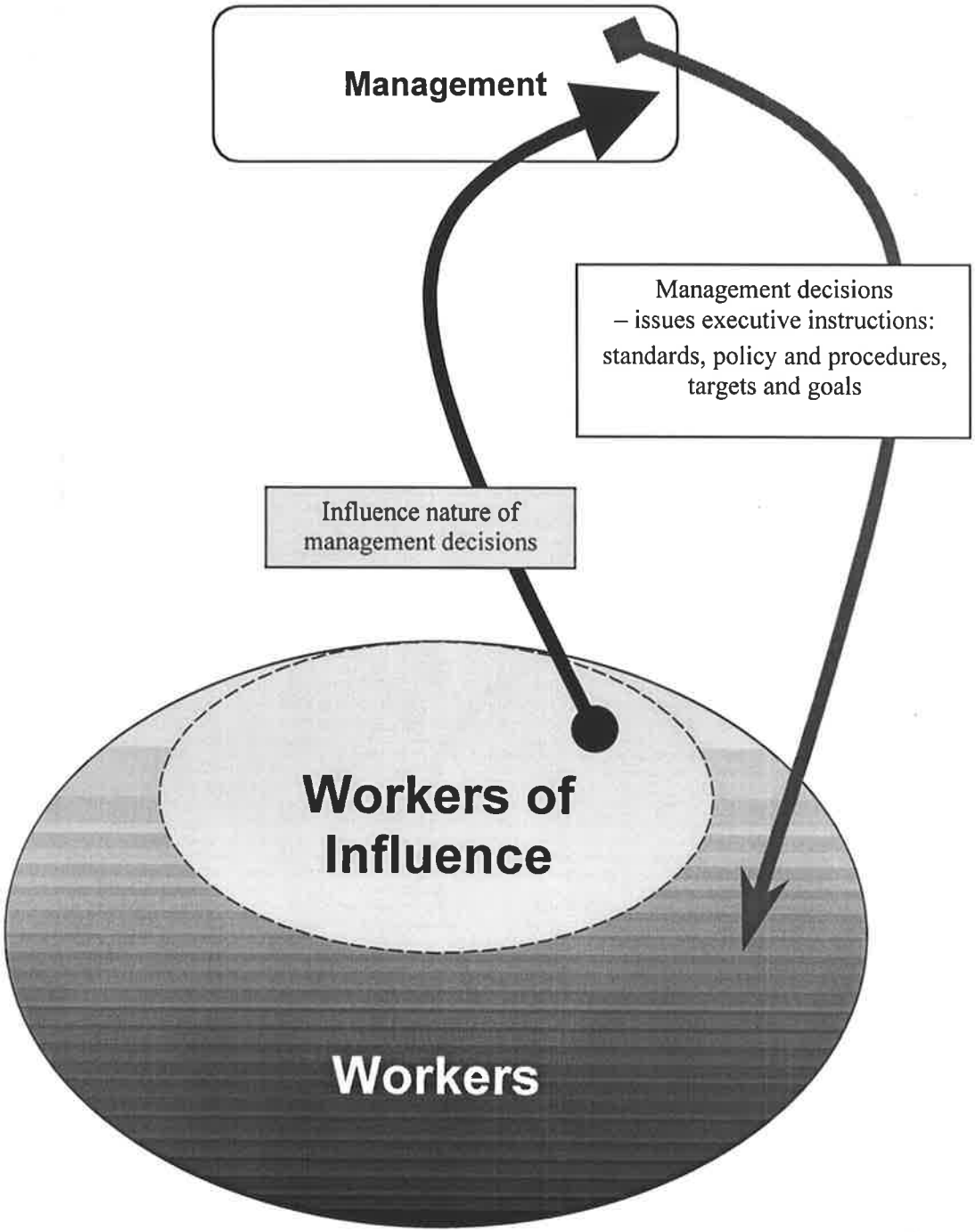


Figure 5. Workers of influence participate in management decision making

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.

# Chapter 6
# Power, Influence, Autonomy and Control and how they were applied at MML

## Introduction

In the preceding chapters it was established that workers of influence can be regarded as shop floor level leaders and change agents, can be involved in process improvement and can participate in management decision making. What then, are the differences between leadership and change agency as demonstrated by workers of influence and that demonstrated by management? This research shows that the principal differences are concerned with power, influence, autonomy and control, which together define the boundaries of operation and of decision-making. In the previous chapter, worker involvement in shop-floor level change through the operation of lean manufacturing was shown to provide opportunities for workers to practice new skills. However, the participation of workers of influence in participatory and consultative fora, in particular the Consultative Committee, enabled them to shift the boundaries of their influence on management decision-making. This chapter discusses, with reference to the literature, the concepts of power, influence, autonomy and control in organisations and how they could be applied to the workers of influence at MML in their attempt to effect change in the organisation.

## Power and influence

As Child (1984) suggests, the concepts of power, influence and control share the paradox that while they are terms in 'common everyday use [they are] nevertheless surrounded by ambiguity' (Child 1984: 136). It is not uncommon to see the concepts defined in terms of each other, or defined with overlapping meaning, such that determining their specific, contextual meaning and the relationships between them can be fraught with misunderstanding. For example, Söderberg describes control during organisational change as the 'opportunity to exercise influence over the organisation of work' (Söderberg 1989: 1, 9), while Etzioni, in discussing the nature of formal and informal leadership, uses the terms influence and control interchangeably (Etzioni 1964: 36). Similarly, French and Raven define power as the ability to exercise influence and influence as the ability to bring about change (French Jr and Raven 1959: 150), while Pfeffer suggests that legitimated power, expressed as authority (power over), is a form of influence (Pfeffer 1981: 4). In providing a practical application for the notion of power, Pierce and Newstrom suggest that 'power is the ability to change one's environment' (Pierce and Newstrom 1995: 21), a definition that might more properly describe 'control'. Although stressing the imbalances that exist in power relationships as 'asymmetrical patterns of dependence', Morgan describes power as having 'the ability to define the reality of others' such that their perceptions move to that of the person with power (Morgan 1997: 199). This definition might be construed to describe influence rather than power. For example, Dawson defines influence as 'the process whereby one party changes the views or preferences of another so that they now conform to their own' (Dawson 1996: 170). She goes on to suggest that it is difficult to uphold a distinction between power and influence because they may be antecedents for each other. More recently, Willer et al (1997), perceiving the shared antecedence of power and influence, nonetheless see them as different notions. They define power as 'the structurally determined potential for obtaining favoured payoffs in relations where interests are opposed' and influence as 'the socially induced modification of a belief, attitude, or expectation effected without recourse to sanctions' (Willer, Lovaglia, and Markovsky 1997: 573). This definition fits with Cialdini's assertion

that influence is about compliance, about the factors that 'cause one person to say yes to another', but not about coercion through sanctions (Cialdini 1984: xi). Buchanan and Badham define power as 'the capacity of individuals to exert their will over others' (Buchanan and Badham 1999: 11), which suggests a degree of coercion as a fundamental part of power, while Willer et al go on to observe that 'power can produce influence and that influence can produce power' (Willer, et al. 1997: 595).

The nature of the relationships that were observed in this research was such that to distinguish between influence and power is useful in describing the empirical data. The use of power involved the capacity to levy reward or punishment; that is, there was an element of coercion in power relationships, although this was not necessarily negative. So, for example, the Production Manager, using the power invested in him because of his place in the organisational hierarchy, could instruct labour to move from one department to another and expect that this would be done. Their peers invested the workers of influence with power, as illustrated in Figure 6 below, but they (the workers of influence) were not always able to exercise that power as they had no recourse to sanctions or coercion in the culture of MML. Workers could withdraw their labour, that is use strike action, as a form of coercion and an exercise of power over management. However, this was not action that was regarded as acceptable by the workers at MML, given the industrial relations climate as discussed earlier. Instead there was agreement to use the formal consultative processes as the forum for dispute resolution, thus the workers of influence exercised 'influence' rather than power. One observation of this research is that the influence of the workers of influence was exercised both on their peers and on the management and the strategies they used can be identified (and are discussed in the next Chapter). There were also observable differences in the nature of the power of workers of influence when compared to the power of management. These differences can be described in terms of French and Raven's (1959) work on the bases of power.

French and Raven (1959) define five bases of power that O might have over P because of the perception that P has of O. If P perceives that O can provide or

mediate rewards, then O has *reward* power. In a related manner, if P perceives that O can mediate punishments, then O has *coercive* power. O has *legitimate* power if P perceives that O has the right to demand and expect particular behaviour from P, a common form of power that is wielded by superior officers in a hierarchy on the basis of their position in the organisation (and also called *positional* power). In this case, O is said to have authority (Pfeffer 1981: 5; Bolman and Deal 1997: 169). If P perceives an identification with O because of cultural similarities, or because O has resources or personal traits that seem desirable, then O has *referent* power. Finally, O will have expert power if P perceives that O has specialised knowledge or expertise (French Jr and Raven 1959: 155-164). These different types of power were observed in the management and workers of influence at MML. For example, managers held clear legitimate power because of their place in the organisational hierarchy, while workers of influence were invested with expert power by management when they were given access to confidential company information. Workers of influence were invested with legitimate, referent and expert power by their peers. Advocate workers of influence also carried some legitimate power that was invested in them by external forces; OHS legislation in the case of the HSRs or the Award in the case of the Shop Stewards. The Shop Stewards were considered a legitimate part of their union's hierarchy and from management's perspective they were regarded as part of the union apparatus and therefore carried a degree of legitimate power, but this was not legitimate power conferred by their place in the MML structure or hierarchy. The investment of power in workers of influence is illustrated in Figure 6 below.

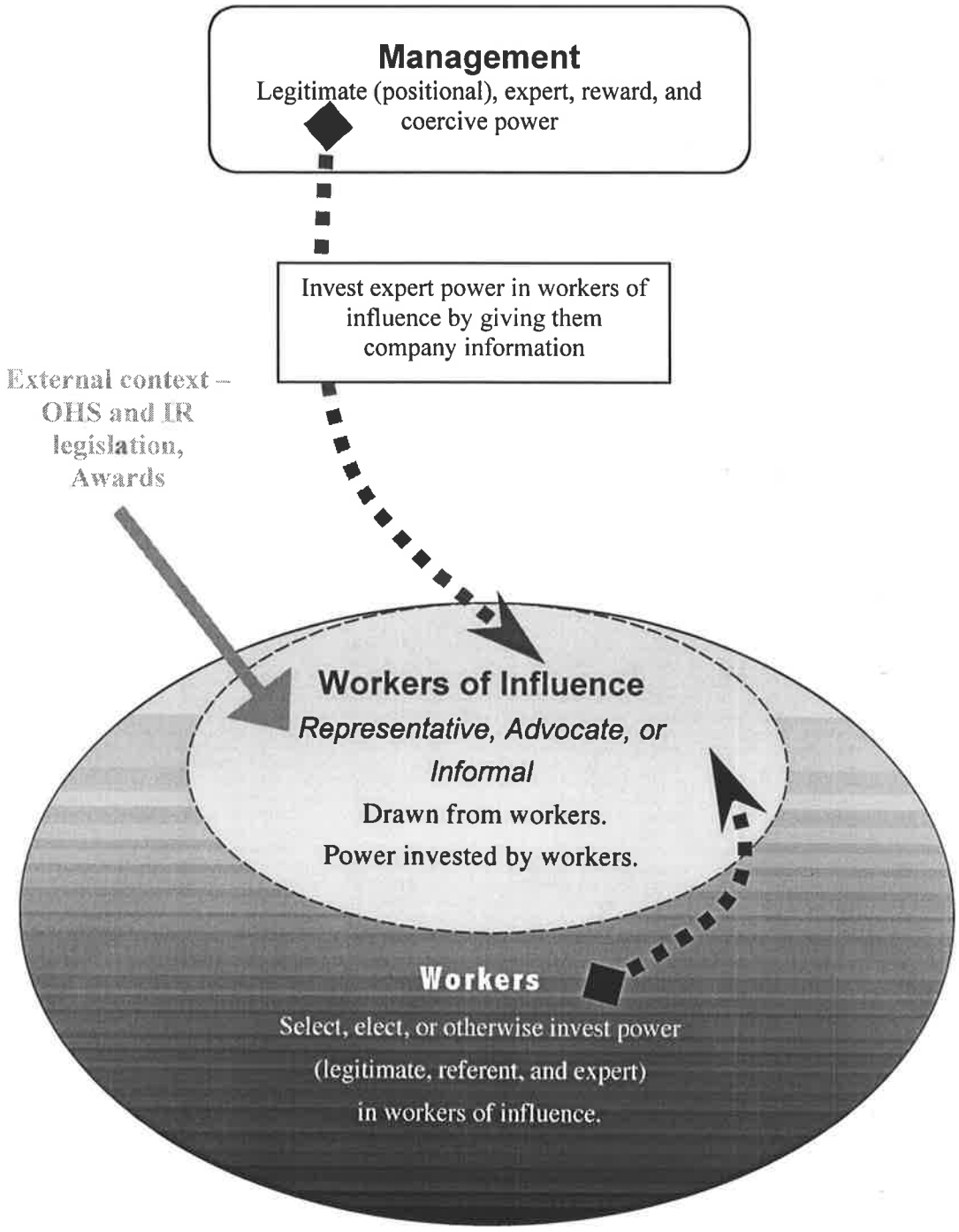


Figure 6. Workers of influence were invested with power

So, both managers and workers of influence had power (as a noun), as Buchanan and Badham put it, 'the *capacity* of individuals to exert their will over others' (Buchanan and Badham 1999: 11 – my emphasis); that is, power as a potential for action. However, the mere possession of power does not necessarily equate to the *exercise* of power (as a verb). Thus in this thesis, the exercise of power is regarded as coercive in nature (although this is not necessarily negative). Influence, defined as 'the socially induced modification of a belief, attitude, or expectation effected *without recourse to sanctions*' (Willer, et al. 1997: 573 – my emphasis) is the way this word is used in this thesis. It is a much softer concept than power, but may be no less effective in attaining individual or group goals. The notion of the generation of influence from power and power from influence as Willer et al describe above, is also important to this research, as the possession of power enabled influence to be exercised by the workers of influence.

Power may be expressed in many different ways, for example as authority and control (discussed below) or as influence. Common to the literature on lean manufacturing is the use of the term *empowerment*. As a form of power and because the term was in common use at MML and CAL, the use of the term in the literature is examined here.

## Empowerment

The term *empowerment* tends to elicit strong positive or negative emotions. Since the mid-1980s in Australia, 'empowerment' of employees has come to be regarded by some as a desirable attribute of organisations working to achieve cost savings and improvements in productivity and quality by using the ideas of employees, particularly those on the shop floor. Advocates of empowerment, especially those in the popular management literature, view empowerment as an organisational state of mind which will 'unleash the synergistic, creative energy of everyone in the organisation' (Covey 1994: 8); as the 'cornerstone for providing excellent service [and] productivity' (Topaz 1989: 3); and as creating organisations where the

'creative and innovative energies of employees [are liberated to enable companies] to compete effectively in a global environment' (Gandz 1990: 74).

Others regard the term as yet another management 'buzz-word', 'management-hype', or simply 'myth' and lacking in credibility ( Slaughter and Parker 1989; Jürgens 1993b). It is viewed cynically and as a false concept, an organisational fairy-tale that sounds attractive but is, in reality, elusive because, as Cunningham et al assert, the experience of employees is that 'empowerment' sometimes does not really do much to increase their power, influence or autonomy (Cunningham, et al. 1996: 340). Other authors identify the association of empowerment with work intensification, where workers take on extra responsibility with no concomitant wage increase and they suggest that the application of the term to contemporary work places must be considered to be a farce (Noon and Blyton 1997; Warhurst and Thompson 1998). All in all, as Harley asserts, it is a concept that is poorly defined, lacking substantial critical analysis and conceptualised either as a version of employee involvement or as a shift, by managers, away from 'management' towards the 'grander concept of "leadership"' (Harley 1998: 2).

In examining the process of empowerment, the notion of leadership needs reconsideration. As Foster declares,

> A responsibility of leadership lies in critical education, [which] involves the notion of power ... not "power-over" but "power-to". The leader, in this instance must have intellectual power-to-analyse and power-to-criticise and dialogic power-to-present. *The educative use of power is realised in the empowerment of followers*, an empowerment which provides the actors themselves with insight and reflection into the conditions of their existence and into the possibilities for change (Foster 1986: 21 – original emphasis).

There is danger in leaders confusing power-to with power-over and thus deny the empowerment of followers. That is, the empowering leader needs to facilitate the development of the followers (exert influence), rather than exert authority over them. It could be argued that this position is most easily adopted by workers of influence, acting as leaders or change agents, because they are not encumbered by the implicit

power of the hierarchical position – they are already seen as equals with referent power and can engender trust more readily.

Lack of trust and respect leads to mutual fear and the failure of empowerment, according to Hatch (1997: 368). She describes what amounts to a dishonest use of the rhetoric of empowerment and participation when managers, in effect say to workers, 'I empower you *to do what I say*' (Hatch 1997: 368 – original emphasis). Empowerment in that sense becomes a tool of domination and the result will be a withdrawal of their creative energy by workers.

Although there is a lack of a consensual definition of empowerment as it applies in organisations in the literature, for the purposes of this thesis, the principle of empowerment as a sharing or re-distribution of power is acknowledged as being the dictionary definition of the word. Thus, the definition proposed by Cunningham et al is used in this thesis:

> [Empowerment is the] re-distribution or devolution of decision-making power to those who do not currently have it (Cunningham, et al. 1996: 144).

Covey (1992) suggests that,

> Empowerment takes an abundance mentality – an attitude that there is plenty for everybody and to spare and the more you share the more you receive. People who are threatened by the successes of others see everyone as competitors. They have a scarcity mentality. Emotionally they find it very hard to share power, profit and recognition (Covey 1992: 257).

Covey's understanding of empowerment, as an outcome of management driven by high moral principle and strong values lies, at one end of the spectrum. At the other end is the view that 'empowerment' is a euphemism for deceitful exploitation of workers (see for example Slaughter and Parker 1989; Jürgens 1993b). This research suggests that it is not Covey's concept of empowerment that is the problem, but the less than adequate application of it as a principle.

Harley identifies TQM, team-based work and consultative mechanisms, the so-called HIM (high involvement management) strategies, as examples of practices which tend to incorporate empowerment as a guiding principle (Harley 1998: 8). Empowerment was identified as a significant part of the CAL model of lean manufacturing adopted by MML. Two CAL personnel conducted an introductory workshop on lean manufacturing in July 1992 for 30 key MML people. They included the CEO (Stan Blake), Group Manager Operations (Don Riddoch) all MML managers, selected supervisors and leading hands and workers of influence who were representatives on the Consultative Committee (File 2, 1992: 36). The workshop was based on the application of Covey's (1989) work as the foundation for a move to lean manufacturing and was structured around the 'seven habits' that Covey identifies as critical for effective leadership (Covey 1989). The principles of leadership that were being set by the mentoring company, as the appropriate foundation for MML's move to lean manufacturing were integrity, maturity, honesty and an 'abundance mentality' (Covey 1992: 257; Guarded Reference 14). A focus on empowerment was called for in order to satisfy people wanting to make a 'meaningful contribution' to the company and the group was told that the 'purpose of the leader is to create meaning' for followers (Guarded Reference 14). Power, the workshop leaders told the group, is the 'ability to get things done', while empowerment is 'enabling others to get things done' (Guarded Reference 14). They advised that adopting a coercive or utility[16] approach to power resulted in a compliance- and agreement-mentality, whilst a principle-centred approach, motivated by 'what you can do *with* others' (as opposed to *to* or *for* others), would result in 'what's right and what's best' (Guarded Reference 14). The 'inevitable outcomes' of using an empowerment style of leadership, the workshop leaders asserted, were 'interdependence, creativity, self-control, intrinsic rewards, excellence, partnership' as opposed to a controlling style of leadership which would result in 'dependence, conformity, external control, extrinsic rewards, mediocrity and a '"hired hand" mentality' in both leaders and

[16] Utility power was described by Covey (1992) as power in which 'the relationship [between leaders and followers] is based on the useful exchange of goods and services ... followers follow because of the benefits that come to them if they do' (Covey 1992: 102).

followers (Guarded Reference 14). The natural opposite of control was not empowerment, they declared, but chaos, asserting that to lead to empowerment depended on there being a 'paradigm shift' on the part of management (Guarded Reference 14). Comparing operating paradigms of traditional (push) manufacturing systems and lean (pull) systems, the workshop leaders identified the features as outlined in Figure 7 below.

**Push vs pull system of improvement**

| Definition | **Push**<br>Boss *pushes* ideas down on employees | **Pull**<br>Employees *pull* support from management |
|---|---|---|
| Boss's paradigm | 'I'm boss. I know what's best, Do it my way' | 'I'll listen. How can I help you make improvements?' |
| Employee's paradigm | 'I'd better do what I'm told and keep quiet.' | 'I want to make improvements, my boss will listen and support my ideas.' |
| Goals | Bosses establish quotas/goals | Employees establish their own goals |
| Results | 'Fear without honesty'<br>change is slow and limited to capability of boss.<br>'political' waste | 'Honesty without fear'<br>Employees willingly contributing ideas and improvements<br>Everyone looks for what's right/what's best. |

(Guarded Reference 15)

Figure 7. Push vs pull system of improvement

CAL claimed that the adoption of lean manufacturing 'gives us the opportunity to involve our people and give them meaning in their work' (Guarded Reference 15). In their introductory workshop, the CAL presenters focussed on these 'management paradigms', touching only briefly on the lean manufacturing operating systems; that is, the mechanics of lean.

At the outset, the MML management were keen to adopt this beguilingly simple approach to changing the organisation via their own behavioural and attitude change. Ultimately the *mechanics* of lean manufacturing (that is, pull systems, visual controls, JIT, low inventory and eliminating non-value added work from work processes) were the more simple elements to implement. The push system paradigms identified in Figure 7 still operated in too many areas; management could or would not cede sufficient control to be able to identify workers as 'empowered', although they acted in an empowered manner in some circumstances as reviewed later.

## The value of empowerment

If empowerment was understood to be a logical and foundational part of lean manufacturing and if lean manufacturing was understood to be the key to improved firm performance, what then was the real value of empowerment in the process of organisational change at MML? Quality and productivity fluctuated throughout the period of the study and after the retrenchments in November 1992, workers no longer regarded their employment as secure. Teamwork came to be associated with increased work stress for no extra pay (now known to have significant health effects, as discussed earlier in this thesis). The perception of autonomy (as reported by workers) varied throughout the life of the Change Project. Incentives were attached to thinking of new ideas, on-time attendance at work and low injury reports, as opposed to matters that directly supported satisfying the customer, such as meeting customer's production deadlines or quality requirements. Before they took on the extra responsibilities that accompanied lean manufacturing, workers considered that they were doing a quality job, the lean manufacturing training made them question that belief and find new ways of performing their work. The few months following the training were exciting times as new ideas were implemented, but eventually lean manufacturing brought new pressures. Regular production requirements still needed to be maintained under lean manufacturing, but workers found that there were competing pressures that interfered with their work. There were the added

responsibilities that came with teamwork, the stresses of new forms of conflict that accompanied horizontal control and pressure to be involved in the (ultimately non-voluntary) CIP that was aimed at 'cutting the fat' out of the system. Add reduced levels of WIP inventory, the stress of JIT manufacturing and a new company performance measure (the LPI) that was based on the ratio of direct/indirect hours[17] and the lean system became 'anorexic' with subsequent and regular failures in productivity and quality (Notebook 12, 1993: 7).

That the relationship between 'empowerment' and firm performance is tenuous is supported, although somewhat inconclusively, by the findings of a recent international study conducted by Oliver and Delbridge (1999). The study of 71 first-tier automotive components manufacturers found a poor association between empowerment of production operators and high performance (relative to the performance of the companies in the group). However, there were significant methodological flaws in the research; the researchers relied on senior management's subjective assessments to determine the degree of empowerment on the shop floor through a 'forced choice' questionnaire. No attempt was made to validate the management claims with the voice of the employee, nor was there any examination of the processes that were understood to indicate 'empowerment' in the plants, although the authors believed these varied widely. Also, there was no attempt to control for the potential confounder of senior management interviewees reporting on the degree of empowerment according to the subjects' view of what the researcher might want to hear. This is particularly important given the fervour with which empowerment is recommended as a general management strategy in the popular management literature. The results failed to provide statistically significant differences between high performing plants and low performers although the authors were comforted by some of the measures 'approaching statistical significance'. On

[17] The Labour Productivity Index (LPI) measured direct production hours against productivity and required low levels of indirect time to direct time. It was imposed by head office and was regarded with contempt by the Consultative Committee (that is, workers of influence and management), as they believed it discouraged CIP activities.

the basis of their inconclusive evidence they concluded that empowerment fails to bring benefits to either plants or employees.

This finding is not supported by an examination of MML's performance as discussed in Chapter 4. There were valuable, tangible and financially measurable benefits that flowed from the CIP that depended on worker involvement, participation and empowerment. On the other hand, the LPI (Labour Productivity Index – see footnote 17) indicated that firm performance was poor with too many indirect hours in the plant. The workers were faced with a 'catch 22' – in essence management was telling the workers 'you must participate in the CIP because to do so is part of the EA; but you must reduce indirect hours, which are necessary to allow you to engage in the CIP'. One way out of this dilemma was for workers to participate in the CIP in their own time; something they were not prepared to do. The position increased the stress on workers, reduced their autonomy and control in the workplace and, because it was a coercive strategy, led to a decline in empowerment and autonomy (Kanter 1983: 244-247).

## Autonomy and control

Within organisational theory there has been longstanding interest in the notion of autonomy and control and ideas about their relationship to team work have a long history. Trist and Bamforth, from the Tavistock Institute (Trist and Bamforth 1951), documented the change in technology in the coal mining industry and developed the concept of socio-technical systems (STS) in which the organisation of work took into account both the social and technological systems at work and the interplay between them. Trist played an important role in the Swedish industrial relations experiments in the mid-60s , while in Australia, Norway and Sweden, Emery and his colleagues were active proponents of the STS approach to organisational design (see for example Emery, Thorsrud and Trist 1969; Emery and Trist 1973; Dahlström 1979; Emery 1993) as a means to improving the quality of working life (QWL). The QWL movement itself was concerned with humanising work, job enrichment and job enlargement using STS analysis and design (see for example Herzberg 1966;

Hackman 1985; Hackman, Oldham, Janson and Purdy 1987). The interventions of the STS and QWL movements led to participatory work design, experiments with industrial democracy and the development of teams in the 1970s. However, as Griffiths (1995) asserts, this was not the main foundation for team development under lean manufacturing. Rather, the team developments observed in the 1980s and 1990s were inspired by the Japanese approach of Ohno (1988) which was influenced by the quality movement led by Deming (1981). Despite their long history, the notions of autonomy and control are two other terms that could be added to the list of Child's 'fuzzy phenomena' (1984: 136).

## Autonomy

Autonomy tends to be described in terms of the capacity for independent action (Borum 1995: 156), while control has connotations of directing, dominating and commanding. Both autonomy and control are associated with power. In the organisational setting, autonomy is exercised as job control at both management and worker level. That is, autonomy occurs when individuals have the power to control aspects of their job.

Autonomy is part of and varies with the job role (Turner 1972: 70). It may include the expectation and the right to intervene in the physical arrangement of the workplace and also in matters pertaining to other people, as defined by the job role. For example, at the beginning of the research period, during the period of participant observation on the factory floor, I was shown around the workplace by the supervisor as described in my notes:

> Hans Eisenberg [the supervisor] showed me around the work area and showed me the job by running through the sequence a few times explaining what needed to be done when and at what sort of speed. I worked there the whole day on the one job with my new mate, Colin Ross. When Hans introduced us he picked up some of the product that Colin had just produced and told him to keep a watch on the quality of the welds (from notes on participant observation, July 1991).

The supervisor conducted my on-the-job training, although the real expert in the job was my new workmate, Colin Ross. The supervisor was able to pick up product and question Colin without asking permission – this was his expectation in his role as supervisor and an expression of his legitimate power. Later in the participant observation period I worked on a particular job that was quite hazardous. I discussed the job and its history with the HR manager, Peter Lockwood, who, unaware of the problems, asked me to lodge a written hazard report so that he could take action to have the equipment repaired. The supervisor's actions, as described in my notes, indicated both his level of autonomy and the legitimate power (expressed as authority) he perceived he had on the factory floor, particularly in comparison with the worker of influence, Steven Groenveld:

> I started out in Dept B where I lodged my hazard report on yesterday's job. Peter Lockwood had asked me to get Steven Groenveld [the employee health and safety representative] to sign it, but Hans took it away saying it was nothing to do with Steven (from notes on participant observation, July 1991).

This particular supervisor's approach to people tended to be overbearing and abrasive. He was acutely aware of the degree of power he possessed and exercised his considerable authority and autonomy in the job. The jobs of supervisors and managers at MML clearly allowed considerable autonomy as shown by these examples, where they were able to make decisions and act without direction from others.

Increased levels of autonomy were evident with the worker involvement that came with the introduction of lean manufacturing. Workers were then able to make changes to production processes and their working environment without reference to management; they were able to 'just do it', albeit within the confines of the 'acid test'. For example, in January 1993 a new production department was established to manufacture export components. After a few weeks' operation, the workers could see that small changes to the layout of their machinery and workbenches could improve their efficiency. As a team and using the lean manufacturing principles they had learned, they worked out exactly how the changes should be made and what the

gains should be. Referring to the 'acid test', they determined that they did not need management approval or input to make the changes, so they set aside time in one shift to make the moves. In a matter of 30 minutes the changes were complete and they returned to work satisfied that they had made good decisions about their work (Notebook 6, 1993: 16). This level of autonomy, the capacity to implement their own recommendations and control their working environment, was valued amongst the shop floor. This example illustrates the assertion that autonomy is exercised as job control. The positive outcome encouraged ongoing engagement by workers in the CIP process because, as Schwochau et al observe, the opportunity to implement their decisions makes workers' involvement in change more meaningful (Schwochau, Delaney, Jarley and Fiorito 1997: 383).

## Control

Like the other slippery concepts with which this thesis deals, control has different meanings in different contexts. At the most simplistic, there is *control over*, a form of power that might be levelled on subordinates by managers and supervisors and there is *control of*, the control that workers have to make decisions about the work that they perform this is the expression of their autonomy. Given that this thesis focuses on the workers in organisational change, here *control* refers to the latter and the term is used synonymously with *job control*. Child defines control in organisations as a process whereby management and other groups are able to initiate and regulate the conduct of activities so that their results accord with the goals and expectations held by those groups (Child 1984: 136). In this thesis, this is referred to as *management control* and when it is discussed the whole term, with its adjectival qualifier, is used.

At MML, following the introduction of lean manufacturing, control meant having responsibility for the sorts of activities that Oliver and Delbridge (1999) recently used as indicators of the degree of empowerment:

- Quality improvement
- Quality inspection
- Rectification [rework]
- Work allocation
- Setting the work pace
- Process improvement
- Machine setting
- Production scheduling
- Reactive maintenance
- Planned preventative maintenance
- Recording machine utilisation data
- Training activities
  (Oliver and Delbridge 1999: 3-4)

Under the regime of lean manufacturing, following the completion of the training, teams progressively assumed control of each of these areas. By the end of the research period, those teams that were operating as self-managed (or semi-autonomous) teams accepted responsibility for each of these areas. For example, workers managed the production schedule via the pull system and by liasing directly with customers and suppliers.

Worker control does not mean that workers must decide everything for themselves. Workers did want to participate in policy and procedure development (which was possible through their representatives on Consultative Committee) and in decision-making about how the work would be done, but did not need or expect total control to feel autonomous. That is, workers were given decision-making powers within boundaries defined by management; but they could choose to accept or reject these responsibilities. For example, very specific SOPs were developed with worker input and institutionalised for some production processes, particularly for so-called 'safety components' which had stringent manufacturing specifications imposed on them through government safety standards. These could be construed to provide control to employees because there was no uncertainty about what was expected in order to achieve excellent production. Further, control was exercised in the capacity that existed in the plant for workers to choose to either withdraw from the process, or to make active contribution to the development of the content of the SOPs in

conjunction with engineering or work methods personnel. In fact, workers could initiate improvements in production processes either through a CIP team, the suggestion scheme or informally via the team facilitator or coordinator.

Such management of the autonomy and control of workers should not be confused with a *laissez faire* approach to management, as identified by White and Lippitt (1960) and described by Eakin as 'leaving it up to the workers' (Eakin 1992). She describes cases where decision-making was left up to the workers with minimum participation or support from the leader, who was then likely to blame the workers when things went wrong. This style of management tends to paradoxically reduced autonomy and control for most employees and was not observed at MML.

At MML, some worker control could be exercised over career development and attracted company support. For example, a female process operator commenced an EPC at the local Technical and Further Education College (TAFE) with the support of management by way of paid study leave. To expand her experience in the company and her knowledge of different production processes, she asked the Production Manager to move her from a robotic welding and assembly department to the Press Shop. Her request was readily accommodated. This was not an isolated instance. Employees could ask to be moved in order to develop skills, or alternatively could seek training opportunities to allow them to work in different areas of the company. These requests were generally accommodated within production constraints. From the management perspective this was viewed as increasing the flexibility of the workforce (multi-skilling), while the workers valued training as a means of improving their skills and wages, making themselves more employable in the general job market. They also reported that being able to perform a number of different jobs gave them more interest and variety in their work. The management expectation was for improved productivity through improved morale and motivation to work.

The workers valued training and completion of training. They designed a series of three-metre long notice boards on which the competencies of each employee were recorded in a giant matrix. For management, the visual display meant that they could see at a glance who could do what and when. Teams used them to aid scheduling and overtime allocation. They gave workers visual identification of their skills that were directly related to wages, a direct means of ensuring that they were paid correctly and enabling them to determine their own career direction.

## Autonomy and control in action

What autonomy and control did the workers perceive that they had themselves? As the excerpts quoted above from the period of participant observation show, in 1991 at the commencement of the research and before the introduction of lean manufacturing, workers on the factory floor had little opportunity to control their working environment or the nature of their work without reference to sources higher in the organisational hierarchy. Avenues for change did exist, but they were always via the supervisor, or one of the managers. Worker autonomy was essentially restricted to the capacity to choose to engage in or withdraw from the strategies for change. For example, the worker who normally did the job that attracted my hazard report was one who chose not to participate, for uncertain reasons:

> I noticed tonight that the burning-in job (that I put in the hazard report about) has been significantly altered. Apparently the work was carried out during the days off last week. The area has been laid out so that the parts are delivered without risk of injury. The punch has been repaired and relocated so that the buttons are easier to reach and the parts which have to be fitted have been relocated to the front of the bench. The tester doesn't look much different but Mike Jamieson told me that its been overhauled and there is more room to get the parts into it now and the parts are ejected from the machine now, too. He's delighted with the changes. But they were made without consultation with him!! He just came to work and it was done. I think I was the only person to ask him how he liked it. I asked him if he'd ever put in a report or suggestion about it and he told me no - he said no-one would take any notice of him. ... It's curious that Mike hadn't complained about it formally. He complained bitterly to me. It seems there are at least three reasons for not complaining. Either because people don't believe that anything will come of it, they don't want to rock the boat or a combination of the two (from participant observation notes, July 1991).

By the time the lean manufacturing training was complete (October 1992), the picture was completely different as workers played with their new-found autonomy and rehearsed their newly learnt skills. Machines were moved, processes were altered, display boards full of before and after photographs were erected, pull systems were invented and kanban cards were designed; all without reference to the management. Palm trees and hanging pots of ferns appeared as decorations in some of the assembly areas. The quantity of WIP inventory declined sharply, quality and productivity were in control and there was considerable excitement in the plant. People reported that they participated because they had the power to make changes and to do so made them feel good. As Alison Nagy, one of the workers of influence told me, 'all we have to do is make sure what we want to do passes the acid test – and it works!' (see Appendix 3).

Twelve months later, in October 1993, the story was different again. By now the CIP groups were no longer voluntary, participation was enshrined in the EA and wage increases were contingent on achieving a given value of CIP savings over the year. Quality and productivity fluctuated, there had been batches of poor quality product delivered to customers that threatened some contracts and a few deliveries to interstate customers had been sent by air freight to avoid stopping the customer's line. By this time, there was significant stress in the production system because of the implementation of lean manufacturing. JIT production demanded short production runs and frequent tooling changes and, when coupled with low levels of WIP inventory, left little margin for production error. The system required delicate balancing of machinery and people to keep the operation running. Much of MML's plant and equipment was old and subject to frequent but unanticipated breakdown, despite a preventive maintenance program. The production pressures experienced on the factory floor at this time left little space for workers to pursue CIP projects, although this was mandatory under the terms of the second EA. Workers reported their feelings of discontent and their incapacity to balance the production requirements with involvement in the CIP. In fact they were experiencing a loss of autonomy and control.

As Klein observes, JIT introduces increased stress into the production system and loss of WIP inventory reduces the opportunity for team problem solving because breaks have to be coordinated and the work patterns carefully structured (Klein 1993: 129), as experienced at MML. At that time the Plant Manager was also experiencing a loss of autonomy because he was being held accountable for the performance of the plant against a new performance indicator, the Labour Performance Index (LPI), which had been devised and then imposed on MML by the Group Operations Manager from head office. The LPI measured direct production hours against productivity and the benchmarks prescribed as acceptable by head office left no room for training or CIP-involvement. To meet the required LPI performance level required low levels of indirect time to direct time, however, the Plant Manager observed that it seemed to have little relationship to other performance indicators related to meeting customer requirements. In a lean environment, where workers were expected to be spending time on creative tasks as well as production, higher levels of indirect time had to be expected, with the trade-off being improved long-term productivity through CIP activity. The Plant Manager's response to not achieving the required level of LPI was to blame the workers and cut some indirect time (such as that spent on training), thus reducing the autonomy of the workers further.

The actions by the Plant Manager were aired firstly at the Consultative Committee where he explained both the requirements of the LPI and that he was 'under considerable pressure, with the Group Operations Manager breathing down my neck to get things improved' (Notebook 10, 1993: 35,36). Thus, he expressed the limitations of his own autonomy and control, as imposed by the corporate management, as a means of defending himself against criticism from the workers of influence on the Consultative Committee. Once again, they were allied against the common enemy, the corporate management.

Klein, in a discussion about the implementation of lean manufacturing, suggests that the strict implementation of JIT and SPC results in a disciplined system, which appears to increase worker autonomy but actually decreases it. She asks, 'why

promise more autonomy when you mean workers to deliver an unprecedented degree of cooperation?' (Klein 1993: 131). That is, compliance through coercion instead of team decisions made by shop floor workers. She asserts that companies should schedule preventive maintenance for people as well as machinery, by preventing WIP inventory levels from reaching zero and building in 'slack time' for workers to meet without production pressures (Klein 1993: 130-131). During some periods the MML management provided autonomy within a mainly democratic management style rather than a *laissez faire* or coercive management style. MML explicitly addressed the issue of job control, making the parameters of autonomy clear and encouraging people to take the initiative within parameters such as those laid out in the guidelines for the Consultative Committee (see Appendix 2) and the 'acid test' (see Appendix 3). However, during the second year of the Change Project, the management style became coercive and the workers experienced a loss of autonomy as a result.

## The influence of position in the hierarchy

Harley's analysis of the Australian Workplace Industrial Relations Survey[18] (AWIRS 95) data on autonomy found that in Australian workplaces, control was most closely linked with place in the organisational hierarchy (Harley 1998). There can be little argument from the MML data that shop floor workers had less power, autonomy and control that those higher in the hierarchy. Despite the evolutionary introduction of teams, MML remained hierarchical and there was no expectation that the enterprise would become non-hierarchical. From the outset of lean manufacturing the management stated that 'managers manage the business, workers manage the process' as a means of defining the boundaries of influence of shop floor workers. Management in effect retained their power-base. What altered was the increase in shop floor power and autonomy at the expense of the supervisory layers of the hierarchy; the old supervisors and leading hands. The levels of management

[18] AWIRS 95 was a survey of about 20,000 employees and 2,0000 workplaces employing more than 20 people. It was conducted by the federal government.

decreased from four to three with the loss of leading hands being the significant change. Leading hands were re-allocated into teams without immediate loss of wages; that is, they remained at their wage level until the team members caught up by other means. As the teams evolved, team members took over tasks that used to be left to the leading-hand or supervisor and thus expanded their group power-base.

## Management control

Child offers a pictorial representation of the process of management control, which is reproduced below as Figure 8 (Child 1984: 141). The illustration simplifies the process of control, based on power relationships, across one or more levels of a hierarchy. It describes a process of management goals (which may or may not be spelled out) being expressed as executive instructions to subordinates in the organisation, by way of standards, guidelines, orders and, targets. The work is done, resulting in certain outputs which are tested and evaluated against pre-determined measures. Reward for achievement follows.

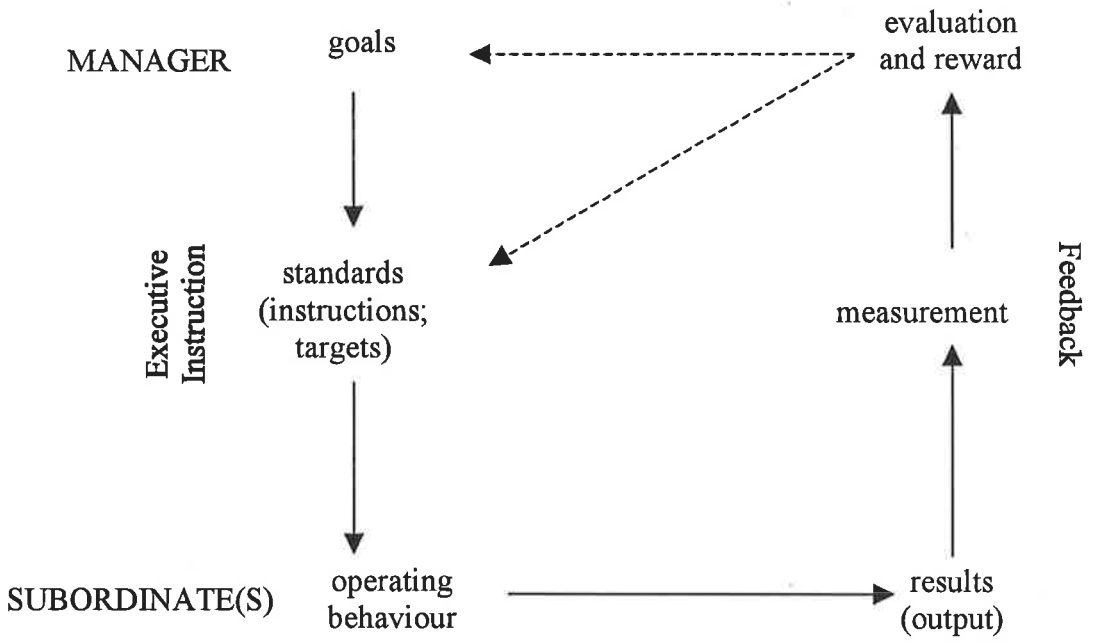


Figure 8. The process of management control (Child, 1984: 141)

Built into Child's model is the opportunity for subordinates to provide feedback to the manager, which can result in the goals or executive instructions being modified. He cites this as an example of 'double-loop learning' as described by Argyris, which increases the effectiveness of management decision making (Argyris 1976). Child suggests there is potential for subordinates to direct this feedback via informal work groups or through formal union mechanisms and while he applauds this possibility, he puts the case that such discussions do not guarantee agreement between the parties. However,

> ... in a non-punitive context they may usefully expose areas of disagreement, reaffirm areas of agreement and reduce misunderstanding ... although it is not easy to attain the openness required. This depends upon a high quality of undistorted feedback, which subordinates may not be willing to provide if they believe it will threaten their interests or if they are otherwise in conflict with management. It also requires a willingness on the part of managers to learn from the feedback and not to discard any negative content because they too see it as personally threatening (Child 1984: 142 -143).

Friedman offers a different approach to the issue of managerial control (he uses the term authority) in suggesting that two extreme forms of managerial control are used to overcome the inherent resistance of workers,

> ... Responsible Autonomy and Direct Control. The Responsible Autonomy type of strategy attempts to harness the adaptability of labour power[19] by giving workers leeway and encouraging them to adapt to changing situations in a manner beneficial to the firm. To do this top managers give workers status, authority and responsibility. Top managers try to win their loyalty and co-opt their organisations to the firm's ideals (that is, the competitive struggle) ideologically. The Direct Control type of strategy tries to limit the scope for labour power to vary by coercive threats, close supervision and minimising individual worker responsibility. The first type of strategy attempts to capture benefits particular to variable capital, the second tries to limit its particularly harmful effects and treats workers as through they were machines (Friedman 1977: 78).

Responsible autonomy is presented as a successful, but deliberate ploy used by exploitative managers to control workers, especially skilled or privileged workers (Friedman 1977: 79). Nonetheless, he acknowledges that changes in work organisation that allow workers to exercise judgement over work-related decisions such as the rate of work and the order of the tasks they perform are desirable and to be encouraged, despite the ideological stance of management (Friedman 1977: 83). Thus, Child's model becomes a useful place on which to build the examination of the role that workers play in organisational change, which is taken up in the next chapter.

## Boundaries of management control

The MML data reveal that management was willing to change the boundaries of control during the period of the research. They were prepared to allow workers to be involved in process changes to an unprecedented degree and to participate in management decision-making in ways that had not been previously experienced in the company. However, they approached lean manufacturing with something of a

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[19] 'labour power' being as Marx defines it, 'the aggregate of those bodily and mental capabilities existing in human beings, which he exercises whenever he produces a use-value of any description' (Capital, vol 1: 164; cited in Friedman (1977) :10).

scarcity mentality (Covey 1992: 257) – they retained tight control over wages and retained management control of bonus payments that topped up the basic wages. These continued to be used, in a behaviourist manner, as behavioural controls, as they had been before the introduction of lean manufacturing. However, the actions were incongruent with the messages of mutual trust, respect and obligation that underpinned the new approach that management professed to be adopting.

The behaviourist approach to controlling worker behaviour is based on the restrictive and limited assumption that human behaviour constitutes only observable or measurable behaviours (like coming to work on time) and excludes the cognitive processes that are less tangible but might also be considered to constitute behaviour (such as the process of choosing/choosing not to come to work). It assumes that people are motivated to behave appropriately only by extrinsic rewards, rather than intrinsic rewards, or because their personal moral code demands they behave in a particular way.

The behavioural control approach was exemplified in the monthly payments made for perfect attendance (the attendance bonus) and the periodical rewards (in the form of shopping vouchers) for low rates of LTI. Rewarding for low levels of LTI is problematic in any organisation because it is not a reliable measure of OHS performance (Amis and Booth 1992: 44) and it encourages workers to not report injuries. This is a significant problem for organisations interested in taking preventive action to stop workplace injury and ill health. It works to modify behaviour, but not in a way that leads the company to either constructive action, or to the apparently desired outcome; a healthy and safe workplace (Shaw and Blewett 1995: 19-24).

The story of the attendance bonus at MML illustrates the behaviourist approach to management. In 1987, to motivate people to attend the workplace, the HR Manager introduced a bonus for good attendance. The rules were simple, be on time for work

every day for a month and a bonus of $A45[20] would be paid in the next month. Time cards were used to determine who would be paid the bonus. The bonus was regularly paid to about 60% of the weekly paid employees. After a few years the bonus was included in the personal budgets of many employees, some of whom came to depend on it to make ends meet.

In October 1992, one of the workers of influence, an administration representative on the Consultative Committee, Dorothy Sidwell, raised concerns about the application of the bonus. 'People who go to the doctor and come to work on the same day lose their attendance bonus. They might as well take a sick day', she also hinted that the operation of the system might be 'more fair' for the factory floor than the office (Notebook 5, 1992: 38). The HR Manager was adamant that the system operated consistently throughout the organisation but that as the company moved towards lean manufacturing, 'it will be replaced with something more suitable' (Notebook 5, 1992: 39). The seed for change had been publicly sown by this worker of influence.

By April 1993, MML employees had a working understanding of lean manufacturing and the processes in which they needed to engage. At that time, the representatives on the Consultative Committee considered the nature of the attendance bonus at one of their own meetings. They noted that, 'Under lean, many people are spending more time in the plant than we're being paid for, we're getting our work done, so what if someone's late?' (Notebook 6, 1993: 46). No-one wanted to lose the money, so the question was, how could the reward allocation method be changed to reflect the changes in the plant, while still ensuring that people got the money they were accustomed to receiving.

At the next meeting of the Consultative Committee the issue was raised again and various scenarios were put forward. What happens if a person is ill on the last day of one month and the first day of the next? They lose two bonuses, but this did not

[20] This represented about half a day's pay to lowest paid workers.

seem fair. The suggestion that the bonus be calculated and paid weekly was rejected by management as too costly to administrate. Even the questioning of the bonus system was a source of discomfort to the Plant Manager and the employees were left feeling that the bonus was a management choice, under management control and they would have little impact on it.

> "Why do you pay an attendance bonus andrew?" I asked at a private discussion in his office.
>
> "To encourage people to come to work," he replied.
>
> "But I could come to work, be on time, hide behind Press 8 all day with a thermos of coffee and a newspaper and no-one would know the difference. I wouldn't be adding value to the organisation or producing anything – but I'd still get my attendance bonus."
>
> "Well, yes, that's true ... but it's traditional now and I'd have trouble taking it away" (Notebook 6, 1993: 59).

The Plant Manager acknowledged that the bonus did not help achieve a more productive workplace, but he did not know how, or with what, it could be replaced. By the next meeting of the Consultative Committee he had prepared a new draft policy, which he tabled with the comment that it should make the system fairer. It included weekly calculation but monthly payment, payment of 75% of the bonus if on time for 3 weeks out of 4 and the setting of achievable targets, based on historical performance for attendance, which would be applied across the whole plant to reinforce team work rather than individual achievement (File 4, 1993: 110; Notebook 6, 1993: 59). The proposal concerned the employee representatives for its potential to erode a bonus that had become an expectation; they chose to consult widely on the matter.

At the following meeting (May 1993) the employee representatives had devised a position paper which they tabled. Claiming that as MML was a 'best practice company' with an absenteeism rate that was very low by industry standards, the targets should be set against verifiable industry standards and that anything above this should be rewarded. They suggested that an additional bonus should be paid if 100% attendance was achieved in any one month, that lost time injuries should be

excluded from the calculation so that people would not be discouraged from reporting injuries and that sick leave should be paid out on leaving employment to reduce absenteeism by encouraging people not to abuse their sick leave. Finally, they asked that the matter of the attendance bonus be included in EB so that it could be the subject of formal agreement (File 4, 1993: 42; Report 7, 1993: 40; Notebook 7, 1993: 3). It was a week before management responded. The Plant Manager would not entertain the idea of the bonus being included in EB because it was out of step with corporate policy; MML was the only ACPL plant with a bonus and moves were being made to make the EA's consistent across the company. He accepted the idea of the increased bonus for 100% attendance as a 'safe bet', rejected out of hand paying out sick leave ('what if employees fail to use their sick leave and come to work ill'), but would consider excluding lost time injury. In fact, nothing happened and the status quo remained.

The discussions had resulted in many people being no longer sure what the rules were and in September 1993 the original policy was re-circulated and placed on the table for discussion at the Consultative Committee. The Plant Manager put forward the idea that,

> ... the policy is out of date and some sort of bonus paid for achieving delivery or quality could be introduced instead, think about how could it apply to indirect employees as well (File 6, 1993: 42).

In October 1993 Management put forward a proposal for a system of rewarding teams rather than individuals but this was not supported by the employees who said it would be,

> ... out of people's control, you would be relying on the support of others in the group and it would result in people using excuses such as not my fault – their fault (File 6, 1993: 69),

thus engendering intra-team conflict. The workers were keen to limit the degree of horizontal control, recognising it as potentially divisive of worker solidarity. The status quo prevailed (File 6, 1993: 71).

By December 1993 the plant was experiencing ongoing falls in efficiency according to the Group Production Manager's LPI. This was largely due to the use of indirect hours for CIP purposes and training. At the Consultative Committee meeting the Plant Manager announced his unilateral decision to scrap the attendance bonus from the beginning of February 1994 and replace it with a new bonus. This would be paid monthly and at the same rate, but would be calculated on a group basis. There would be three groups, QA and Administration, the Toolroom and Maintenance and Production. This news was greeted with howls of disapproval from the employee representatives who called for further consultation, but the Plant Manager stood his ground, only agreeing to re-assess the matter in February (Notebook 10, 1993: 47). When in February the matter was raised again, management conceded that the MML absenteeism rate was lower than the average for the auto industry and the employees requested a return to the original system of individual rewards. However, the Plant Manager declined to make any significant changes to the newly adopted scheme (Notebook 10, 1994: 51).

In summary, when the workers of influence raised the issue of the attendance bonus at the Consultative Committee meeting, they were suggesting changes to a benefit to workers that had long been solely under management control. Management responded with ideas for change, but left the workers of influence with the clear impression that management would continue to retain control. Management was reluctant to lose the capacity to either choose to pay a bonus or not pay a bonus; they were also reluctant to include the attendance bonus in EB where it would have been formalised and subject to organised negotiation and scrutiny. Management chose not to give up this power and in the end, changed the rules unilaterally in a manner unacceptable to the employees.

As Dunphy and Stace suggest, 'managers ... often abandon a collaborative approach to change if that approach is demonstrably unsuited to achieving the changes they value' (Dunphy and Stace 1988: 325-326). The attendance bonus was used as a means of direct control, instead of paying higher wages, which arguably would have

motivated workers more (Friedman 1977: 79). In terms of implementing lean manufacturing after the role model provided by CAL, retention of management control over bonus payments was a coercive strategy that served to limit the power, autonomy and control of the workers of influence, with concomitant effects on workers.

## Power and trust

The inconsistencies in management messages at MML were numerous. They wanted a flexible, trained workforce, but allowed casuals to stay on as casuals for lengthy periods denying them access to training or stable employment. They stated that they wanted employees to share in the benefits of lean, but kept process workers on the lowest rates (C13 and C12) and agreed to small increases in wage negotiations compared to industry movements. They wanted employees to 'run the process', to 'just do it' but denied their autonomy when it came to wages; keeping paternalistic bonuses in the pockets of management to bestow at times management deemed fit. Such a reward system was transparent to the workers and, as Kanter asserts, appropriate reward systems for worker input to the development of organisations needs to be fair and established up front (Kanter 1983: 255).

Underpinning both the management and the worker of influence push for change was trust. Trust, according to Bennis, is 'the underlying issue in not only getting people on your side, but having them stay there' (Bennis 1989: 160). This must be seen to apply to the relationship between management and the workers of influence (in both directions) and the relationship between the workers of influence and their peer workers. Bennis suggests there are 'four ingredients' that leaders have that generate and sustain trust: constancy, congruity, reliability and integrity (Bennis 1989: 160) and warns that '... if there is anything that undermines trust, it is the feeling that the [leaders] lack integrity, are without a solid sense of ethics' (Bennis 1989: 164). As the preceding discussion reveals, the four ingredients were sometimes present in the management, but more likely to be seen in the workers of influence.

The issues of power and control in the workplace have connotations of social justice, respect and trust. To paraphrase Anthony Reynolds, Executive Director of the Royal Commission into Aboriginal Peoples in Canada, participative management must be built on a foundation of trust for it to be meaningful and lasting; there must be a willingness to accept workers as really equal. Management cannot call themselves partners in organisational change without a shift in fundamental assumptions, otherwise they remain adversaries (Garrett 1999). Professor Margaret Somerville reinforces the importance of consistency of action when she asserts that,

> ... we have had a change from blind trust to earned trust. Blind trust says 'Trust me because I have your best interests at heart.' It's paternalistic, it's based on status, power and authority and it's established by an event. You've got this person and then you transfer the trust and they have it. In comparison earned trust says, 'Trust me because I've shown that I can be trusted.' The nature is egalitarian, the basis of it is your conduct and it's established by process. And the important thing is that that process has to continue. As soon as you fail to earn the trust, the trust is gone (Garrett 1999).

These matters of trust, consistency, congruency, reliability and integrity were all present in the theoretical model of lean manufacturing adopted by MML. However, the rhetoric of lean manufacturing and its practice were different matters at MML. Theoretically, the version of lean manufacturing adopted by MML was built on the foundation of the admirable concept of a management with an 'abundance mentality', that is, a management willing to share power, information, profit and recognition (Covey 1992). The MML management were unable to achieve this, they were willing to share information, they were able to devolve some power, they were often able to recognise the positive contribution made by employees, but were unable or unwilling to share profit via increased wages. In fact, according to the union organisers, the company had a reputation in the industry as being 'mean' with basic wages. The management chose to pay minimum wages and supplement these with a variety of bonus payments (safety bonus, attendance bonus, CIP bonus) which were used as tools for behavioural control.

## Conclusion

MML remained essentially hierarchical with power and decision-making capability mainly retained by management. Nonetheless there were shifts in power and shifts in the boundaries of power, some of them significant. Workers of influence at MML played an active, not passive, role in the acceptance of increased power and job control by workers. The power of the workers of influence was extended through lean manufacturing; there were increases in autonomy and job control. But the paradox is that worker power autonomy and control only survives in an atmosphere of trust, openness and generosity; it existed only while workers had choice and could exercise their autonomy and job control. When CIP participation became a requirement, there was a subtle shift to a coercive management style; choice about whether to engage or not in the change process disappeared and therefore worker power and autonomy declined.

At the outset of the research, MML management demonstrated their whole-hearted willingness to adopt a principle-based approach to lean manufacturing by the acceptance of CAL as a role model for change and as a source of training. They adopted the CAL rhetoric of empowerment and worker autonomy and stretched the boundaries to enable increased worker involvement and participation. The workers willingly accepted the wider boundaries and the increased power and control in the workplace. However, the management's position was not sustained; over time the boundaries of management control were contracted and their approach became coercive rather than empowering. Within these shifting boundaries of control, the workers of influence at MML used a range of actions that challenged management and contributed to the shape of the organisation. These actions are discussed in the next chapter.

# Chapter 7
# How Workers Changed Work

## Introduction

We have seen that workers of influence could be regarded as leaders and change agents at factory-floor level. They were involved in process changes along with other workers, but, unlike other workers, the workers of influence participated in management decision-making. This was most obviously manifest in the consultative fora that were available to them. However, as the data reveal, their influence on organisational change was not restricted to formal consultation processes. The level of participation by workers of influence flourished with the developments of the Change Project and in particular with the introduction of lean manufacturing, during the early stages of which there was more explicit power-sharing by management and an increase in worker autonomy and job control. Within the constraints placed on them by management, how did workers of influence have an impact on change at MML? This chapter proposes a model of power and influence by which the workers of influence operated.

The ways in which senior managers operate as leaders and change agents are well identified in the literature, as discussed earlier in this thesis, whereas the activities of the workers of influence are not clearly mapped out. How do the actions of workers of influence differ from those of management with respect to organisational change? The range of actions that were used by workers of influence to effect change is

examined in the last half of the chapter. These fell into nine categories: demonstrating trust in and respect for management, accepting increased power, using information wisely, introducing new ideas at policy level, maintaining solidarity amongst workers, being persistent, 'talking up' the company, acting backstage and being the corporate conscience. Each of these categories of action is discussed in more detail below.

## The influence of worker power

As Etzioni recognised nearly forty years ago, the capacity to have power and influence in an organisation is not determined only by a person's hierarchical position (Etzioni 1961: 90). The informal leaders he observed in organisations had personal power over 'lower participants' (their peer group) and were said to constitute a 'non-organizational elite, since their power is not derived from the organization' (Etzioni 1961: 91). Etzioni talks about the improved effectiveness of this group over formal leaders because, having no organisationally ratified authority, they tend to be 'expressive' leaders, appealing to the 'moral involvement' of those whom they lead, rather than 'instrumental' leaders who demand 'calculative involvement' (Etzioni 1961: 92-3). Even amongst informal leaders, however, there may be the need to act instrumentally, such as when a union Shop Steward pressures the members to participate in union activities (Etzioni 1961: 118-9). However, such instrumental behaviour was not observed amongst the workers of influence at MML. As has been seen, in accord with the organisational culture, they used influence rather than coercive tactics. While Etzioni's work is an important starting point for this research into workers of influence, more detail about the way such informal leaders operate and their relationships within the organisation emerge from this work than appears in the literature. Figure 9 provides a visual representation of the outcomes of this research. The diagram builds on Child's (1984) representation of the process of management control (reproduced as Figure 8 in the previous chapter). In particular, it adds detail at the level of 'subordinates', providing information about the interactions that occurred between workers and management.

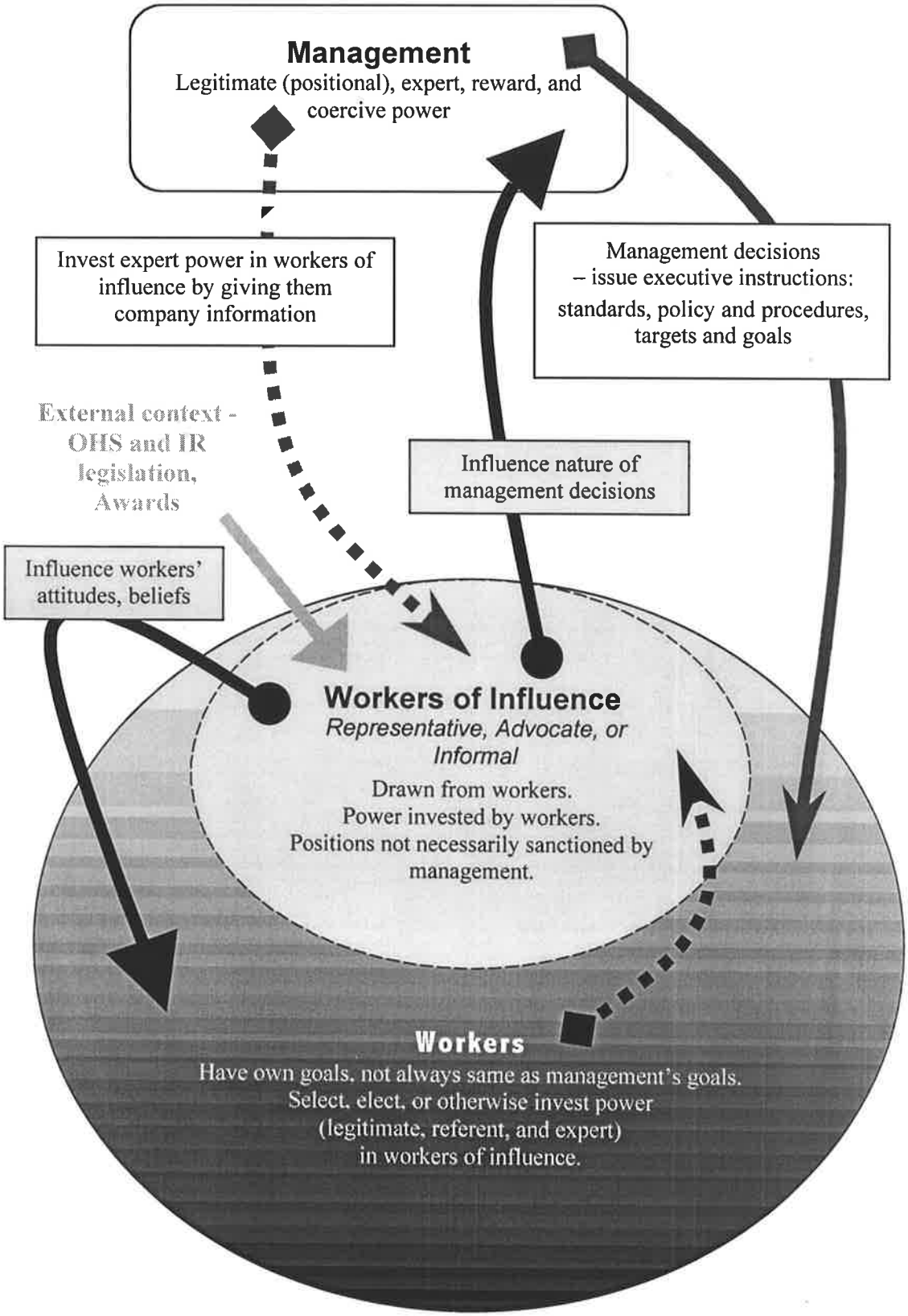


Figure 9. The influence of worker power

Workers of influence were members of the MML workforce who occupied positions on the factory floor and in the administrative departments and who had no supervisor responsibility. As such they are located within the circle of workers in Figure 9 and are surrounded by a dashed line. The dashed line indicates that the observed position of 'worker of influence' was sometimes transient, sometimes long lived and workers moved in and out of the 'inner circle' during the time of the research. It is also a metaphor for connectedness because workers of influence remained workers while they were leaders. They continued to perform workers' duties and contribute to the productivity of the company as workers. They were not identified as a group by management, other workers or themselves. Rather their existence and identification as a group only emerged from this research, thus while they were an identifiable group in hindsight, they were firmly embedded in the mass of workers.

Workers of influence, like other workers, were involved in process improvement projects but, unlike their peers, they were able to participate in and thus influence, management decision-making. While Etzioni (1961) identified the influence of informal leaders over lower participants in the organisation, he did not identify their capacity for upward influence in the organisational hierarchy that was observed in this research. The workers in the company invested power in their leadership (ie the workers of influence) and were in turn influenced by them, as is illustrated by the arrow in Figure 9. Because the workers of influence remained workers, retained their values and understood and experienced their concerns and grievances, workers who identified with them invested them with referent power (French Jr and Raven 1959). Similarly, power was invested in informal workers of influence because they were differentiated from the group by their level of specialised knowledge: that is, the base of their power was in information and expertise, in particular their knowledge of workers' jobs and industrial relations processes. Baumgartner et al (1976) describe this as the 'meta-power' that 'members of a collective may allocate ... to the leadership in response to an internal crisis [such as] the need to ... deal with problems of production or distribution' (Baumgartner, Buckley, Burns and Schuster 1976: 227-228). Under these conditions the leaders become the agents for the group

in dealing with issues at hand. Such investment of power allowed representative and advocate workers of influence to represent the position of the group and make decisions on their behalf, for example during EB negotiations and concerning policy matters on the Consultative or Safety Committees. However, the power of the workers of influence was not only evident during times of overt crisis. They were able to exercise influence, arising from their power, during times of quietude when management decisions were made with their assistance and without particular fuss. Not that an absence of crisis or grievance was necessarily equivalent to consensus, for, as Lukes observes, the absence of grievance may be the result of manipulated consensus. This can be derived from the exercise of power which shapes the perceptions of people into accepting their state because there is no alternative, or because it is 'ordained' or natural (Lukes 1974: 24). In this context it is important to recognise that management and workers had their own goals with respect to the company and that these were not always in accord with each other. For example, management and workers shared the goal that the company remain viable, for matters of profit on the one hand and as the provider of secure work on the other. Agreeing to accept shorter working hours and less pay during the recession was evidence of this. However, the means by which viability should be maintained was not always agreed. Thus, the desire of management to maintain a casual component of the workforce as a means to flexibility (leading to profitability) was opposed to the desire of the workers for secure employment (portrayed to management as a means of developing a loyal workforce, which in turn would contribute to profitability).

Some workers of influence held positions that could be described as having legitimate power, certainly recognised as such by the workers, but not necessarily organisationally ratified. These were the advocate workers of influence, the Shop Stewards and the HSRs. As was discussed in Chapter 6, the power of HSRs was framed in State legislation and significant legal power accompanied their position. Management sanctioned their position, although in representing the workers they were sometimes in opposition to management. The legitimate power of the Shop

Stewards was based in their acknowledged status as representatives of their unions under the terms of the Metal Industry Award, which formed the basis for the company's EA. Management and the workers acknowledged their status. However, this legitimate power did not spring from, nor was it acknowledged in the organisational structure, of MML rather it originated in the external environment as indicated in Figure 9. Not all HSRs were members of the Safety Committee or other committee, although both union Shop Stewards were members of the Consultative Committee. That is, some advocate workers of influence were also representative workers of influence. Representative workers of influence (elected members of management-employee committees) were invested with legitimate power by their peers and although their positions were recognised by management, they too had no place in the official organisational hierarchy. Interestingly, those representative workers of influence on the Consultative Committee, were invested with expert power by management in the process of being given access to confidential company information. Informal workers of influence had no legitimate power, but were invested with referent by the workers and expert power by both workers and management.

The paths of power and influence in Figure 9 deserve comment. Management exercised power over workers (including the workers of influence) by way of executive instruction (issuing standards, policy and procedures and the setting of targets and goals) as outlined by Child (1984: 141-142). This was essentially a coercive form of power given that explicit or covert threat or reward generally accompanied it. However, through their effort on the various management-employee committees, representative workers of influence could influence (without using threats) the decisions of management. Advocate workers of influence similarly could influence the decisions of management in response to particular grievances expressed by the workers. Although there was opportunity for this to be accompanied by threat (that is, an expression of power rather than influence) this was not used at MML. For example, HSRs could potentially use their legal powers to immediately stop unhealthy or unsafe practices at the plant, but chose instead to use

the consultative processes of the Safety or Consultative Committee or individual negotiation with management out of committee session if the matter was urgent. Similarly, the union Shop Stewards could potentially threaten strike action, but as discussed earlier, given the organisational culture, chose not to use this avenue. Informal workers of influence also had the potential to influence the decisions of management because their expert knowledge was recognised and respected by management. For example, the ideas of Barry Taylor (when lately returned from the benchmarking mission to CAL) were taken into consideration by management when choosing how to implement lean manufacturing, although this was not pursued through formal consultative channels.

Thus, the workers of influence can be seen to occupy an important and central place in the activities of the company as it pursued organisational change. Virtually unrecognised in the management literature, they are the lost leaders of organisational change, who nonetheless can have a pivotal role in change, as the case of MML illustrates. What strategies or actions did the workers of influence use to exercise their influence in the company during the process of organisational change? Nine main strategies emerge from an examination of the MML data and these are described and discussed in the following section.

## How workers changed work

The model proposed above shows where power was invested and by whom and how power and influence were exerted at MML during the process of organisational change. This section reveals the strategies that workers of influence used to influence management decision-making in the company during the time of the research. As the research was conducted over a specific period of time and within the political context of that time, the strategies that were used may not represent the entire range available to workers of influence in other companies at other times. For example, at MML the workers of influence in their negotiations with management did not threaten industrial action. However, in more difficult times this may be appropriate. The identified strategies are detailed below.

## Demonstrating trust in and respect for management

As discussed above, the version of lean manufacturing that MML adopted was built on Covey's (1989) principles that included management having trust in and respect for workers. Management were able to demonstrate this from time to time, but not consistently, as has already been aired. However, the workers of influence demonstrated trust in and respect for management and were able to be forgiving when management made errors. This was by no means unconditional trust and respect, but at the outset of the Change Project, the workers of influence were prepared to 'give management a go'; to provide management with the space to 'do something right' (Notebook 1, 1992: 3). An agreement for both management and workers to have the right to air their views trusting that each would respect the other's view, was built into the Guidelines for the Consultative Committee:

> 3.3 The committee shall also produce regular minutes for distribution in the enterprise, which contains both reports on its activities and in which both management and employee perspectives can be accommodated on particular issues (from the Consultative Committee Guidelines - see Appendix 2).

Team-building training for the Consultative Committee members in early 1992 contributed to an increase in egalitarianism amongst Committee members and allowed workers of influence to modify their view of managers as 'the enemy' and to see them as 'fellow human beings' (Notebook 1, 1992: 8). With the lean manufacturing training came the messages of 'honesty without fear' and 'just do it'. It was common to hear people commence a comment with 'Honesty without fear, now ...' and proceed to launch into an issue that had seemed sensitive a few months earlier. In that new openness it was easy for workers of influence to demonstrate trust in and respect for management. The retrenchments in November 1992 dashed any trust that had been demonstrated in *head office* management, but appeared to build trust in the local management who were understood to have had no part in the retrenchment decisions. In fact they openly opposed them (Notebook 1, 1992: 19-22). In the second year of the Change Project workers of influence viewed management as experimenting with lean manufacturing and learning along with the workforce. For example, when attempts by management to impose cross-shift team

structures and nominate team leaders failed, the workers of influence were prepared to suggest that this was learning, agree that these decisions were best made within the teams and to move on (Notebook 1, 1993: 25). Workers of influence demonstrated respect by honouring the confidentiality of some information that was given to them and not disclosing this to people outside the committee. In short, the workers of influence gave management the respect and trust that management were supposed to show to the workers under the lean manufacturing regime.

## Accepting increased power

In 1991, as discussed in the previous chapter, workers of influence had expressed a desire to have input to management decision-making and to have influence over changes in the workplace at a policy level. This opportunity came with the development of the Consultative Committee. Thus, it is not surprising that the worker representatives on the Committee took their positions seriously and actively participated in the work of the Committee. The election of worker representatives to the Committee by their peers, made those individuals workers of influence by definition and with that position came increased power. These people accepted this power willingly; they were active recipients of power, not passive acceptors of power that was bestowed on them by a generous management. That is, the notion of management allowing these people to 'be empowered' is only a fraction of the story; to be empowered people must be willing to accept power and the responsibility and accountability that accompanies it. As worker representatives on the Consultative Committee, those workers of influence were given power not only by the management, but also by their constituents who had elected them. Thus, they had power to act on behalf of their constituents (they were given legitimate power by dint of their election) and management gave them access to information to which other workers were not privy (information power), as members of the Consultative Committee. As French and Raven suggest,

> An election is perhaps the most common example of a group's serving to legitimize the authority of an individual or office for other individuals in the group. The success of such legitimizing depends upon the acceptance of

> the legitimizing agent and procedure. In this case it depends ultimately on certain democratic values concerning election procedures. The election process is one of legitimizing a person's right to an office which already has a legitimate range of power associated with it. (French Jr and Raven 1995: 29).

With the power that accompanied membership of the Consultative Committee the workers of influence actively canvassed opinions about issues on the factory floor, caucused agreed positions amongst themselves prior to meetings and raised issues at meetings. As discussed earlier they were instrumental in developing the Guidelines for the Consultative Committee, based on union-preferred documentation, which enshrined and reinforced the power of the Committee and themselves as members. The formal limits of power of the workers of influence on the Consultative Committee were thus established and published, as some of the functions of the Committee, in the Guidelines for the Consultative Committee as follows:

> 3.1.7 To increase understanding of the enterprise's objectives and plans and to promote a more cooperative approach to resolving the problems in the industry and the enterprise;
>
> 3.1.8 To obtain and discuss the views and concerns of the employees;
>
> 3.1.9 To discuss management proposals and the effect of proposed changes on employees;
>
> 3.1.10 To identify problems and work cooperatively to develop solutions in all areas of the enterprise's operations (from Guidelines for the Consultative Committee – see Appendix 2).

Thus, the power of the Consultative Committee representatives was not only agreed, but also officially ratified and the process by which this agreement was reached was one of deliberate acceptance of power by the workers of influence.

Outside the operation of the Consultative Committee, workers demonstrated a willingness to act in an empowered manner at the level of change to production processes. Following the introduction of lean manufacturing workers began to use the 'acid test' (refer Appendix 3) to determine whether or not they had the power to take action to make production process changes ('just do it'). Over time, departments began to metamorphose into teams as workers took over operational

responsibilities. However, these changes were most often led by a team leader who was a shop floor production worker, not in receipt of extra wages and without supervisory responsibility, but who worked collaboratively with the other members of the team. At the beginning of team development management made an attempt to force team formation by imposing team leaders (generally those who had been supervisors or leading hands and with similar duties) and specifying that teams should cover both shifts. This approach did not work and by February 1993 management had withdrawn from the process of team development to allow shop floor workers to manage the process, with help given only if requested. Management did not specify that a team leader was necessary, nor did they endorse a particular model of team leader selection, preferring to leave this up to the teams (Notebook 1, 1993: 25). Models for choosing team leaders varied from department to department. Some teams opted for an egalitarian approach in which the team members agreed to rotate the role of team leader through all members for a specified period, ranging from one shift to one month. Problems were experienced with this because some people found they did not want the role at all, others were regarded by their peers as poor performers in the role and in some departments too many workers wanted to be leader at once. The more robust model of team leadership was election of a team leader with an extended tenure by the team members. Most frequently, those elected as team leaders were identifiable as existing workers of influence. For example, Betty Sinclair, a long-term employee representative on the Consultative Committee, was elected as team leader in Department D for a six-month period. In accepting the team leader role, she willingly accepted the power that accompanied it, *without increased wages*. She identified which coordinator functions team members could perform and which ones were lacking, then negotiated with management for training in the areas of need for team members. This was the first team to dispense with a coordinator and be classed as 'self-managing'. In this instance the coordinator was absorbed into the team at the request of the team members and this was achieved on a 'pay catch-up' basis, that is, without immediate loss of pay for the coordinator. Team leaders invariably accepted responsibility for ensuring that various operational production issues were attended to, although the work of these functions was usually

allocated across the team members. These functions included: allocation of tasks, production scheduling, customer/supplier liaison, quality, allocation of leave, shift hand-over, group meetings (internal team communication), CIP, planning of machine use, on-the-job training of new team members, house-keeping in the team's work area, shift handover and maintenance of team statistics (for rework, scrap, quality and labour usage). Interestingly, these are the same sorts of functions reported to be devolved to teams in the motor vehicle industry in Europe (Jürgens 1993a: 42-43).

Why should individuals accept the significant, ongoing responsibility of the team leader without financial reward? Perhaps it is significant that this was not an issue at shop floor level. That is, no one questioned the advisability of the choice that some people made to pursue leadership roles, merely accepting that some people would step into the breach. This reflects the notions of Macbeath (1975) and Jensen (1997), discussed earlier, who observed that many people, while interested in the outcomes of leadership, will leave the active participation up to others. In the climate of change at MML there were sufficient people to step forward and take these roles, it may have been an issue of concern had that not been the case. Nevertheless, the reasons why individuals chose this path is not revealed in the data and only informed speculation is possible. Firstly, given that team leaders tended to be workers of influence, some people may have enjoyed being leaders; they may simply have liked the sensation that came with having influence and power, even on this relatively small scale. Secondly, since the position of team leader called for some administration work, some people may have found the broader mix of tasks available to the team leader more satisfying than production work. Thirdly, some may have believed that they would make a better team leader than others would in the team and, in the interests of harmonious working relationships, accepted the role. It is unlikely that promotional opportunities rated as a driver as these were extremely limited.

The evolution development of teams at MML was driven by the willingness and capacity of the workers and in particular the workers of influence, to accept an increase in power. The appearance of teams was almost *ad hoc* and not driven by

any management timetable. By contrast, the introduction of teams elsewhere has been planned, deliberate and slow, as exemplified by the contemporaneous experience at the Mercedes-Benz plant in Bremen. Here the works council specified twelve requirements that had to be fulfilled before teams could be introduced. They included provision of adequate labour, safety, equity for older or disabled employees, works council involvement in team establishment, agreement on the level of autonomy of the team and the provision for training and personnel development (Jürgens 1993c).

The action of accepting increased levels of power enabled workers of influence to be active participants in the change processes at MML and helped to shape the enterprise through both formal consultative processes and through production-process improvement.

## Using information wisely

The Consultative Committee was established as the key group for consultative decision-making. With each department and shift represented, as well as a representative specifically for the women in the plant, the committee engendered significant interest on the factory floor at its inception. Indeed, the very fact that workers of influence actually took part in the Consultative Committee and were serious about the opportunity to participate in management decision-making lent credibility to the Committee.

The development of the Guidelines for the Consultative Committee has been discussed above. Not only did the Guidelines establish the purpose and rules of the Consultative Committee, but also they stipulated the breadth of information available to it and therefore its range of influence. In summary, the Committee agreed to:

3.1 Receive from representatives reports on the affairs of the enterprise including such matters as:

3.1.1 Market conditions and prospects;

3.1.2 Project manpower and skill requirements;

3.1.3 Proposed technological or other significant changes and their anticipated effects;

3.1.4 Any problems that have not been resolved at shop floor level;

3.1.11 To provide and discuss information and reports on particular areas of the enterprise's operations including aspects such as:

a) work practices and performance;

b) quality, efficiency and productivity evaluation;

c) competitive position of the enterprise;

d) other matters of concern to management or employees (from Guidelines for the Consultative Committee – see Appendix 2).

Workers of influence took information from the Consultative Committee and actively disseminated this to shop floor. They also requested information from management in order to be able to answer questions from their constituents, or to be ready to clarify issues that they expected could arise. For example, in March 1992 Gabor Szeto requested information from the Engineering Manager on future tooling, stressing that such information was an important part of communication to the shop floor. The information was given, along with agreement with the principle of sharing such information (File 1, 1992: 35).

***Preserving confidentiality***

Management was more likely than the workers of influence to present information to the Committee, but in any case there was a mutual obligation to be frank and open with information on both sides of the table. However, the use of information by workers of influence on the Consultative Committee, although given approval in the Guidelines, was subject to the proviso on all members of the Committee to respect the confidential nature of some information. This was also specified in the Guidelines:

3.2 Both parties accept that certain information could be considered as commercially sensitive or subject to security restrictions. Every effort will be made by both parties to respect such

considerations of confidentiality while making available as much information as possible (from Guidelines for the Consultative Committee – see Appendix 2).

Following visits to the Consultative Committee by David Templeton, the Group Sales and Marketing Manager, workers of influence had to 'translate' some confidential information. They were sensitive to this need and careful about respecting confidentiality. Generally, if information was issued that was nominated as confidential, a worker of influence would check to clarify exactly how much of the information could be disseminated and in what form. Most often the minutes, which were disseminated throughout the company, to unions and to government, would act as a guide, given that they were always cleared by the person delivering confidential information.

Throughout the research period there were no known instances of misappropriation of confidential information, no leakage of information to sources outside those who were authorised to have it. This is likely to be an accurate observation given that had inappropriate disclosure of confidential information become apparent, the aggrieved party, on either side of the industrial fence, would have been expected to promote such an event as evidence of poor trustworthiness.

***Developing performance indicators for dissemination to shop floor***

In August 1992, the Divisional Company Secretary, Paul Lenthall, described to the Committee the process and outcomes of a re-examination of performance indicators used to judge the progress of the company. He was keen to make this information available to the shop floor and the workers of influence were keen for this to happen. However, there needed to be restrictions on the information that was put on the factory floor. Management was prepared to disclose financial details to Consultative Committee members as confidential information, but was not prepared for this information to be displayed on the shop floor because MML had no legal requirement to disclose such information publicly and the corporate policy was not to

reveal such information. Paul Lenthall was concerned about the information being available to general shop floor workers (who had made no agreement to preserve confidentiality) as well as to the many visitors from other companies. In particular he was not prepared to display monetary details about profit. The workers of influence argued that information about profit was fundamental and important to workers; they needed to know that their efforts were having a positive impact on company profit and that they were secure as a consequence. They insisted on some form of disclosure and suggested a variety of means for displaying the information in rates or percentages without revealing the dollar amounts. Thus, they worked collaboratively with management to determine how to share the general information about trends without revealing confidential details. Paul Lenthall expressed surprise at the innovative thinking of the workers of influence and subsequently produced the material in the agreed manner. Most of the information was prepared as graphs with explanatory notes and the feedback from shop floor workers was very positive. By October 1992, the workers of influence had brought to the Consultative Committee numerous suggestions for improvements in the clarity of the presentation of the performance indicators, on behalf of their constituents. They also proposed that achievement of sales (the accepted indicator of profit) could be displayed on the electronic, animated matrix board (visible throughout most of the factory floor) along with other salient information. Not only was this done, but the accounting term 'variation' was replaced with the more generally understandable term, 'sales achieved' at the suggestion of the workers of influence (File 2, 1992: 52-52, 111, 116, 144; Notebook 5, 1992: 10, 40; Report 4, 1992: 52).

Workers of influence had access to significant information, indeed were invested with expert, or information power (French Jr and Raven 1959) and used such information to inform themselves and their constituents and influence change in the organisation. Their careful use of this information helped to build their trustworthiness in the eyes of management and demonstrated their respect for management.

## Introducing new ideas at policy level

By 1992 written policies on operational issues were the norm at MML. Workers of influence were able to influence changes in the operation of MML by introducing new policy ideas at the Consultative Committee and by providing input to drafts of policy statements produced by management. Consultative Committee workers of influence consulted widely with their constituents when making comment. They took this work seriously; it directly affected their working lives and helped to shape the organisation. One avenue for the workers of influence on the Consultative Committee to bring about change was to question the value of existing policy, or to suggest a policy be written to cover a particular contingency.

### *The overtime policy*

For example, complaints by some workers about the allocation of overtime on the factory floor being unfairly driven by nepotism were brought to the Consultative Committee. As one workers of influence said,

> 'If people are injured and on alternative duties or shorter hours, how come they're well enough to do overtime? If they do overtime, then they're exposed to more stuff at work. Is it because they're mates with the boss?' (Notebook 6, 1993: 35)

The workers of influence insisted that a policy to clarify the allocation of overtime was needed and that once it was agreed, it should be adhered to. As was discussed earlier in the thesis, the workers of influence developed the policy and it was accepted as the new way to do things in the company.

### *Training policies*

Workers of influence recognised training as a potential means of control of workers by management through closed processes of selection for training, selective support for training and by the provision of in-house, non-accredited training that cost workers time and locked them into remaining at MML because their training was non-transferable. The workers of influence pushed management, via the path of

policy development, into more liberal and open training provision. The following excerpt from the Consultative Committee minutes in March 1992, demonstrates the breadth of interest in training by the workers of influence from very early in the research period.

> Training is being provided for Leading Hands and Supervisors and *future* supervisors but the shop floor representatives considered that training in team building, like the *Flying Starship Factory*, would be more appropriate since in the long term there will be no supervisors as the word is understood today.
>
> The shop floor representatives would like to see a pilot program in teamwork established on the shop floor, for example in Dept J.
>
> ... The shop floor representatives considered that through the Change Project supervisors will have an entirely different role. Future supervisors will be a *trainer-coordinator*. At the moment it was thought that they receive good training but they come back to their own, traditional roles because MML has not basically changed and the organisation's structure does not yet support the training that supervisors are getting.
>
> Training has not been examined by the Consultative Committee. The shop floor representatives would like to have input into training programs and they recommend that the C'tee as a whole look at both training for the Change Project and skills training (File 1, 1992: 95 – original emphasis).

It is useful to remember that training was an important part of the Change Project and as such, the workers of influence felt justified in assuming this area as one in which they might have legitimate influence. Later in the Change Project various policy initiatives on training were presented by workers of influence through the Consultative Committee or its Training Sub-Committee.

#### *Literacy training*

Information about government grants that were designed to assist companies to improve the level of literacy and numeracy amongst workers was made available to a worker of influence by one of the union organisers. It was discussed at a Consultative Committee meeting in August 1992 and there was strong approval from the Committee to pursue a grant, as poor literacy skills had already been identified as a barrier to training success amongst a few shop floor individuals. Subsequently,

there were intensive discussions with literacy trainers from a nearby TAFE College who were prepared to work with the workers of influence to assemble a grant application for funding for the training. The grant was successful in attracting $40,000 in March 1993 and work proceeded. The workers of influence played an important role in the development and administration of a questionnaire to the shop floor and, as a result 36 people were identified as targets for the training. Many of these people were native English speakers, a result that surprised the members of the Consultative Committee. The training was successfully run as an accredited module towards the new EPC which afforded participants with a healthy start to new training opportunities (File 2, 1992: 59; File 3, 1992: 48-55; File 4, 1993: 77; File 5, 1993: 14-16, 112, 168; File 6, 1993: 22; Notebook 6, 1993: 33, 38; Notebook 7, 1993: 8, 46; Notebook 9, 1993: 21; Notebook 10, 1993: 6, 13; Report 6, 1993: 37; Report 8, 1993: 1-2).

#### *Visual display of training achievements*

In June 1992, the acknowledgment of training was high on the agenda for workers of influence in the plant. They wanted workers to be able to clearly understand how they might move through the classifications from C13 (the lowest level) to C10 (and therefore increase their wages) with appropriate training. Alison Nagy, a worker of influence in Department J, explained a diagram that she had developed in her department to visually display the competencies of individuals and their relationship to wage levels. The HR manager, who could see an expanded application of the idea to display cross-skilling in different departments, enthusiastically adopted this. From this small beginning huge 'training boards' were developed that listed competencies for each shop floor employee. It had two benefits for workers. Firstly, they could visually determine a career path for themselves and secondly they could see at a glance if they were being paid at the correct rate (File 2, 1992: 41).

#### *Other policies*

Other policies that workers of influence either initiated or had significant input to included the policy on training of supervisors (File 1, 1992: 95; Notebook 3, 1992: 11), casual employment at the plant (File 4, 1993: 73; Notebook 7, 1993: 9), the communications policy (File 5, 1993: 169, Notebook 10, 1993: 2), grievance process (File 6, 1993: 71; Notebook 10, 1993: 26), the provision of training (File 6, 1993: 42; Notebook 10, 1993: 18), accreditation of training (Notebook 6, 1993: 40; Report 6, 1993: 39), attendance bonus (File 6, 1993: 42; Notebook 10, 1993: 24), distribution of RDOs (File 2, 1992: 98), theft in the plant (File 6, 1993: 23, 43; Notebook 10, 1993: 16-17) and provision and use of car parking (File 4, 1993: 135; Notebook 7, 1993: 40).

In an organisational culture defined structurally by its policies, pushing changes in policy was a powerful organisational change method employed by the workers of influence. It was effective because it was aligned culturally and structurally with the organisation and had the 'buy-in' of the workforce because of the involvement of many people in the consultation processes.

### Maintaining solidarity amongst workers

#### *Closed shop*

The shop floor at MML was characterised by strong cohesiveness. This does not imply 'group think' or lack of conflict, but does describe a workforce that was largely after the same outcomes; a healthy and safe working environment, fair wages and a positive social environment in which workers had a legitimate say in the operation of the business. As MML was a closed union shop there was 100% union membership on the factory floor, although there was very low union membership amongst clerical/administrative employees and professional engineers. The closed shop policy meant that there was no union recruitment activity on the factory floor, although there was some minor poaching of members between the unions from time to time. There was therefore no need for battles for union membership and the

relationship between the FIMEE and MEWU Shop Stewards was amicable and collaborative; about 60% of workers belonged to FIMEE and 40% to MEWU. Although they were each critical of the other union in private conversation, the Shop Stewards worked well together in public. In contrast, outside of the context of MML there was considerable competition and ideological struggle between the two unions. This was acknowledged on the factory floor, but there was little engagement in external, factional union politics. In the case of MML, the closed shop contributed to industrial harmony and helped to foster a sense of solidarity amongst the workers.

***Separation of powers***

The old Works Committee had been the principle site of worker-management negotiations conducted through the unions, so the development of the Consultative Committee potentially threatened the importance of the union on the factory floor. The Shop Stewards, in particular Gabor Szeto, were cognisant of this and as a result were careful to preserve the role of the unions while still allowing strong worker input to negotiations with management. The workers of influence were adamant that the functions of the Consultative Committee and the unions should be obviously separated. This was achieved via the Guidelines of the Consultative Committee in which there was a clear and formal separation of the powers of Shop Stewards and worker representatives on the Consultative Committee, as the excerpt below shows. This served to prevent conflict amongst the workers about the jurisdiction of the Consultative Committee versus the unions and their Shop Stewards.

> 3.1.12 [A function of the Consultative Committee is to] promote harmonious industrial relations through consultation and discussion including the negotiated settlement of particular and appropriate issues with a view to minimising lost time through industrial disputation. ...
>
> 3.4 Matters relating to Industrial Relations will be dealt with by the Shop Stewards and not by the Consultative Committee. However, committee representatives can be used as a resource in dispute resolution when desired (from the Consultative Committee Guidelines - see Appendix 2).

This prophylactic action provided clarification and prevented internal bickering amongst workers of influence about the sphere of influence of the union Shop Stewards versus the sphere of influence of the worker representatives on the Consultative Committee (which included the Shop Stewards in any case). In fact, this separation of powers was only rarely challenged, a fact that contributed to the capacity of the workers of influence to have an effect.

For example, in February 1993 the team members of the newly-formed team in Department J decided unilaterally to move to a 12-hour day (that is, a 9-day fortnight) without consultation with the Consultative Committee or the union, but with management approval. This action was taken in order to mirror the working day of their customer, Mitsubishi, to which components were being supplied JIT. As the worker representative from the area, Richard Nash, stated,

> "We really like the 9-day fortnight. It's been really successful. A day off regularly has attractions. As a team we've got the right to organise it with the customer, it's good" (Notebook 6, 1993: 24).

But the union Shop Stewards did not agree that they had this right. On the Consultative Committee there was debate about the merits and problems of 12-hour working days, the potential for OHS implications and about the process of teams making changes unilaterally when they might have industrial relations implications. The Consultative Committee representatives were cross that they had not been consulted by management (who had agreed to allow the team to make the change) about the move. The management approach had been, 'if a 9-day fortnight improves customer focus, then OK. For 10-day customers, however, it might reduce flexibility and result in stock shortages' (Notebook 6, 1993: 24). The team was allowed to continue its new work regime, with Consultative Committee approval, on a trial basis for several months so that the consequences of the change could be monitored. For their part, the management acknowledged their mistake, apologised for ignoring industrial process and said it would not happen again, which it did not. In the end teams were allowed to follow the work regime of their customers following

consultation with the Consultative Committee (File 3, 1993: 21; Notebook 6, 1993: 24; Report 6 1993: 34).

***Solidarity with non-unionised workforce***

The retrenchments in November 1992 involved only white-collar middle-managers, but were accompanied by an immediate and palpable sense of grieving, loss and anguish throughout the plant. The reaction of some shop floor people was to threaten to go out on strike in support of those who were retrenched. This highly unusual threat was thwarted by the joint intervention of the Shop Stewards and the Plant Manager and indicated the level of solidarity that existed which crossed traditional industrial boundaries. The lean manufacturing training, in which blue- and white-collar workers had worked together and the ongoing, collegial work of the Consultative Committee were important contributors to this solidarity (Notebook 1, 1992: 18-22; Report 5, 1992: 1).

By the time the second-round EB negotiations commenced in August 1993 it was almost an obvious step to use the whole Consultative Committee as the SBU. The representatives of the non-unionised administration workforce, who were also members of the Consultative Committee, were deliberately included in this (Notebook 7, 1993: 55; File 5, 1993: 55). However, this did not automatically mean that non-unionised workers would be covered by the EA. The industrial norm for the time was that EAs were negotiated as a union-management agreement, covering only the unionised workforce. However, the workers of influence highly prized the solidarity of all MML employees and this was made tangible in their agreement that the non-unionised workers should also be covered by the EA. The universal coverage of the EA was negotiated part way through the process. The union organisers were nervous about this and the Group HR Manager was not at all keen for this to happen, saying 'let's do it, but not mention it in the EA' (Notebook 9, 1993: 32). The workers of influence were not interested in a 'gentleman's agreement' with this man and did not share the organisers' nervousness and the coverage was subsequently recorded in the EA. This was a conscious decision by the

workers of influence and bolstered their position and impact as a group able to influence management decision-making (Notebook 9, 1993: 32-33; File 5, 1993: 127).

#### *Solidarity with supervisors*

At the commencement of the research there was a very strong demarcation of supervisors and workers, supervisors being regarded as something close to management if not actually management. They were definitely part of 'Them' in a 'Them and Us' scenario, although they were acknowledged to be 'threatened and the meat in the sandwich' (Notebook 1, 1992: 3). However, this distinction softened throughout the research as a result of several factors as discussed in the previous chapter. By inviting supervisors to have representation on the Consultative Committee, by being sympathetic to their needs for appropriate training, by supporting them during the retrenchments and by supporting their absorption into teams without loss of pay, supervisors experienced the workers of influence as reasonable people. Thus, their approach to issues on the Consultative Committee, especially in the later stages of the research, tended to be ambivalent and was sometimes aligned with workers rather than management.

The solidarity of the workforce was a strength for the workers of influence as a bargaining tool for organisational change. It was also valuable for management because they developed confidence in the validity of the consultative process. Thus, it expanded the capacity of workers of influence to influence change.

### Being persistent

The workers of influence at MML were characterised by their persistence. If they thought an issue needed dealing with but management failed to do it, they did not let it drop. There were times when management failed to take action, behaving as though inaction might mean that the problem would just go away. This was no barrier to the workers of influence.

***The issue of casual labour***

For example, on 25 January 1993 at a Consultative Committee meeting, Betty Sinclair, a worker of influence, raised concerns about the number of workers who had been working full-time on casual wages for over six months.

> 'Surely if they have full-time work for them for that long it means that there *is* a job for them', she said. 'What's the policy?' (Notebook 6, 1993: 17).

The answer was that there was none; the workers of influence insisted that one was needed and that the practice should change. It was agreed that the HR assistant should prepare a draft policy for consideration at the next meeting. It was regarded as a simple matter. At each subsequent Consultative Committee meeting the issue was aired again. In early February the HR Assistant admitted that she was having trouble defining some categories of 'casual' (Notebook 6, 1993: 23). Toward the end of February 1993 a draft policy was the subject of a 'spirited discussion' (Notebook 6, 1993: 28-30). In early March the policy was revised with worker of influence input (File 3, 1993: 61-62) and towards the end of March the debate during Consultative Committee meetings had become 'pretty fierce' as workers of influence defended their position that a policy on casuals should apply to *all* forms of casual labour not just some of them (Notebook 6, 1993: 39). In early April 1993 andrew Marlin, the Plant Manager agreed that an upper limit of six months of casual labour before permanent status should apply (Notebook 6, 1993: 47). In mid-April the discussion veered down the path of 'who does the choosing' of the permanent workforce, with workers of influence wanting teams to be responsible for this, but management being cautious about the industrial relations and equity implications (Notebook 6, 1993: 56). This debate raged in and out of the Consultative Committee meetings until mid-May 1993 when a new draft policy was tabled (Notebook 7, 1993: 2, 9). The heat in the debate was maintained through May and June 1993 with the Production Manager, Tony de Silva, wanting casual workers to work six months *in each department* before being made permanent, a proposal that was howled down by the workers of influence with references to the Award and 'the legal position' cited (Notebook 7, 1993: 15-16). In early June the 'casual' debate

reached crisis point when long term casual workers were moved from two teams without consultation with team members and three casual workers (one of whom had worked full-time for 10 months) were stood down at a moment's notice. The exchange in the Consultative Committee meeting had the workers of influence challenging the decisions of management and pointing out the inconsistencies with the lean manufacturing approach:

> 'The [organisational] triangle is supposed to be upside down.'
>
> 'Why can't the teams be involved in labour issues? They're involved in scheduling and so on, but not in shunting labour around.'
>
> 'The reasons for your decisions are not clear – we're missing opportunities to put the triangle upside down'
> (Notebook 7, 1993: 30).

The workers of influence accused management of 'picking and choosing which parts of lean manufacturing to use' and told management that they were 'cross' and 'offended' (Notebook 7, 1993: 31). Management's reply was to advise that the Group HR Manager, Gavin Allison, was now involved and that a new and comprehensive corporate policy would be available soon. A week later and agreement was reached that a team of two managers and one worker of influence would develop the policy (Notebook 7, 1993: 36-37). In the end, the issue of casual work was addressed in the EA in a manner that satisfactorily met the original expectations of the workers of influence. They had been persistent.

#### *Car parking arrangements*

A seemingly trivial, but highly symbolic, instance of the persistence of the workers of influence is illustrated in the matter of car parking. The front of MML was set back about two metres from the start of the footpath. The space ('out the front') had always been used as a parking area for managers' cars with each space identified with a position name; Plant Manager, Engineering Manager and so on. Everyone else had to park their cars in the carpark at the back of the factory ('the back carpark') or on a block on the other side of the main road on which the factory was located ('the front carpark'). The problem with the front carpark was security;

several vehicles had been broken into or stolen and the drainage was so poor that during the winter months the area tended to flood, making it unpleasantly difficult to get to or from the vehicles with dry feet (Notebook 5, 1992: 38). During the day, the office staff on the first floor of the building could keep half an eye on the front carpark, but in the evenings security was a major issue. Afternoon shift workers usually found there was no space in the back carpark when they arrived for work because the day shift workers had not yet left. They parked in the street or in the front carpark and moved their cars to the back carpark after about 5.00pm, when the office staff left for the day.

The privileged parking position of the managers was resented by shop floor workers and office workers alike. It was regarded as a differentiator between management and workers. It became a bone of contention with the introduction of lean manufacturing and the rhetoric of 'equality' and 'management support' and 'team (we-are-all-in-this-together) work'. It was one means whereby the perceived power of management was made tangible by a physical symbol; a privileged, named parking place in a very convenient location. By the time the lean manufacturing training was completed, however, some workers thought things might have changed. One worker, believing there to be a new egalitarianism operating in the plant, parked his car out the front and was affronted when he was asked by a manager to move it. 'It's in the *real* things that the truth shows', said Ruth Everett, a worker of influence on the Consultative Committee (Notebook 5, 1992: 44), when she asked for an explanation of the manager's behaviour. The management stance was that only company-owned vehicles and visitors were permitted to park out the front because the company cars had to be easily accessible for anyone who needed a company vehicle during the day and visitors needed convenient parking where they would not receive a parking fine. The afternoon shift coordinator was allowed to park his (privately-owned) car out the front because 'his car needs to be easily accessible in case of an emergency' in the absence of the company vehicles, all of which were assigned to particular managers for their private as well as company use (Notebook 5, 1992: 44). The workers felt they had to accept this explanation but were not

entirely satisfied. The only concession that was made and this was regarded as significant by the management, was that position names were removed and were replaced with signs saying 'company car only' or 'visitors only'. Thereafter, the managers were seen to compete for the prime parking position, although all of the parking spaces out the front were very convenient (From Notes: F2:115; 5:38,44).

The experience of the workers of influence was that persistence paid off. Not only was it able to help engender change in the organisation, but it was a means of pushing the boundaries of the areas of what could be changed in the organisation. The shift in the nature of car parking resulted in the tiny erosion of one perk of management; named parking positions. The shift in the casual policy was a far larger change with important implications for the workers. It had been regarded as an issue that was more of less out of bounds of the workers' influence. Their persistence demonstrated that the workers of influence could shift the boundaries of influence.

### 'Talking up' the company

Throughout the Change Project workers of influence acted as ambassadors for MML both within MML and when in the company of people from other enterprises. The line generally taken was to admit that things were not perfect at MML, but that they were pleased with some of the things that had happened and were confident that the company would continue to improve with its collaborative approach to management. This was a stable message throughout the research period.

In the early stages of lean manufacturing workers were proud of their accomplishments, they enjoyed having increased power and autonomy and they cheerfully displayed before and after photographs of conditions on the factory floor. The workers were having fun exercising their new skills. It was common for teams to arrive early and stay late (without additional pay) to work on change projects. They were creative about the visual controls they invented and the improvements in

their working environment. They could see that the company was changing for the better, they had some confidence in management to do the right thing by them.

***Marketing the committee to workers***

The workers of influence on the Consultative Committee marketed the value of the committee within the workplace, thus bolstering its standing amongst workers as well as management. Gabor Szeto suggested at the outset that profiles of members (workers of influence as well as management representatives) should be included in the company newsletter so that people could learn more about the operation of the committee and see who was involved (Notebook 1, 1992: 3).

The Guidelines of the Consultative Committee stipulated that Consultative Committee representatives should have 30 minutes before each meeting to discuss matters (these meetings were minuted separately from Consultative Committee meetings and minutes were produced for worker representatives only) as well as an hour between meetings to consult with their constituents. In addition to such formally sanctioned meetings, Consultative Committee representatives used other opportunities to meet with their constituents informally. Sometimes this took the form of discussions with a few people during work breaks, but they also used the opportunity afforded them by the distribution of the newsletter and the Consultative Committee minutes. The workers of influence had recommended to management that they be responsible for the dissemination of the Consultative Committee minutes and the company newsletter to their constituents. It was agreed that this was a powerful way to build interest and credibility in the work of the committee at shop floor level. The workers of influence on the committee would physically visit the areas they represented and hand over a copy of the newsletter to each individual. Minutes were handed out at the ratio of about one copy per four workers, with additional copies being placed on departmental or team noticeboards. They used these times to highlight particular issues and seek input from people. It provided increased opportunity for informal contact and conversation between workers and their representatives.

***External marketing***

As part of MML's commitment to the Workplace Change Program the MML management had agreed to allow other companies to visit and see what was going on in the company. Usually the visitors were taken to the Board Room for a fifteen minute presentation on lean manufacturing by one of the managers, then they would be taken to the shop floor, introduced to a 'tour guide' (mostly workers of influence) and left in their care. Visitors were told they could talk to anyone and go anywhere, except that they should respect the yellow safety lines. Visitors reported that they were impressed by the openness of the company, especially the demonstration of trust in the worker tour-guides. For their part, tour guides were in a position to hear first-hand the feedback of people from outside the company. Later in the research period, written feedback was collected from visitors; some of this information was fed into the CIP process, but there were also comments that indicated how the company and its people were perceived by visitors, for example:

> I appreciated the atmosphere of equality and the way consideration of people's ideas is encouraged (Production worker, manufacturing - Report 7, 1993: 82).
>
> We were most impressed by the level of communication of branch operating indices to all interested personnel. This is obviously a facility that encourages, recognises and where appropriate, utilises the relevant inputs of all staff – which gives a sense of satisfaction. (HR Manager, manufacturing - Report 7, 1993: 80).
>
> I was totally unprepared for the sheer enthusiasm and dedication shown by all the members of your organisation that I met. (Supervisor, utility organisation - Report 8, 1993: 112).

Did these visitors see 'the real MML'? There is little point in speculating, except to say that the impressions they received were principally given by their contact with workers of influence and other shop floor workers.

Other workers participated in presentations outside the company. A group of five shop floor workers, led by a worker of influence, were dubbed the 'Hotspots' and developed a team presentation for a national competition sponsored by the Australian Association for Quality and Participation (Report 8, 1993: 88). Although they did not win, they were praised by the judges for the quality of their effort. They

'performed' their presentation to anyone who was interested at MML prior to travelling interstate to take part in the competition.

One worker of influence, Barry Taylor, made several presentations at the local universities' management courses on the changes that he had seen at MML and his impression about how they had been developed. Others presented the 'worker perspective' on organisational change at events organised through the Workplace Change Program (eg Report 10, 1994: Appendix 6). Management had no input to the content of these presentations. Invariably workers of influence 'talked up' the company, acknowledging faults, but giving an overall impression of a constantly improving organisation.

This might be interpreted as compliant worker behaviour, but such a view is not supported by the degree of disagreement that took place during Consultative Committee meetings. Despite the 'behind the scenes' activity on retrenchments, low wages, uncertain conditions of employment and the often bitter dispute over casual employment, workers of influence continued to offer the public view that the company was 'doing well'. MML developed an external reputation as a good place to work, as a fair employer, as having an enlightened management and a clever, highly motivated workforce. Perhaps these attitudes spilled over into the everyday life of the company, coloured the way people approached their work, bolstered commitment and consistency (Cialdini 1984: 57) and contributed to the strong base for engendering change that the workers of influence were able to use.

## Acting back stage

The workers of influence at MML were politically astute. They knew how to perform to achieve change in the open, formal settings of the Consultative Committee as has already been discussed. But they also demonstrated canny political ways behind the scenes; 'back stage' as Burns (1961: 260) calls it.

The processes they used were the daily informal conversations between workers of influence and others (workers and managers) on the factory floor during work time, the informal discussions that were held during work breaks and participation in the company-organised social events that peppered the MML calendar. These presented opportunities for workers of influence to sow seeds of change (and sometimes discontent) amongst fellow workers. Through such interactions they were able to hear opinions and ideas from fellow workers and either counteract them or modify their own approach. They were able to make links (of the type: '...you should talk to ... about this, she's keen to know more...'). The information flow around the factory floor at MML was a constant, general murmuring that was barely evident, but very real. These methods were essentially covert, not unscrupulous because they were subject to the quiet mass scrutiny of the body of workers; but they could be artful and shrewd. Their nature makes documentation difficult, but glimpses of action and their consequences were sometimes apparent.

For example, during the selection of Barry Taylor as the workers' representative to visit CAL in early 1992 there was discussion about the selection method, the criteria for selection and speculation about who might be chosen. Co-workers were heard talking through the issues on the factory floor and during breaks. The workers of influence were active on the factory floor holding conversations with the workers. They talked about why it was important to exclude existing committee members from the selection process (with the inherent message of 'we're self-less and doing this for the common good') and discussed merits or otherwise of possible candidates. They talked about how important it was to choose someone who wouldn't be fooled and would be able to 'tell it like it is' on their return. I was privy to some of these conversations, either directly or indirectly. When the Group Operations Manager complained to me that letting the workers choose their own representative with no management input was ill-advised because 'they'll select a ninny' I was confident he was wrong and was able to assert that position (Notebook 1, 1992: 13).

More open back stage activity occurred amongst the workers of influence on the Consultative Committee during the meetings of the worker representatives held

immediately before the main meeting. As has been discussed, these meetings were a formal allocation of time that was written into the Guidelines for the Consultative Committee and the meetings were minuted for the worker representatives only. This was an important opportunity to bring together the informal information collected by the workers of influence, to air differences and reach a consensus position before the formal meetings with management.

The back stage activity was a critical part of the power base for workers of influence and contributed to their capacity to stretch boundaries and influence change.

## Being the corporate conscience

The workers of influence, as change agents, had an important role as the corporate conscience when management did not do what they said they would do. An important tool for achieving this was through the development of policy, as discussed above. Policies were binding on both workers and management, written agreements on the method of approach to particular situations which pronounced agreed and specific courses of action. They were a sure way of putting the fence posts of the boundary of control into concrete. The treatment of casual labour, cited above, is a good example of the workers of influence using policy to behave as the corporate conscience.

Accreditation of training and alignment of worker competencies with Award payment levels was a critical area of concern for workers of influence where they could be the corporate conscience. This was particularly so given the manner in which management chose to keep control over wages, as discussed above. In 1991 some workers attended an in-house welding course as recalled in the participant observation:

> I also talked to the leading hands about training in the company. The Saturday morning welding course is a current bone of contention because it is an in-house course with no external recognition and people are not paid to attend it. If it had industry recognition people would not mind attending in their own time but as it is, it is perceived that workers

> are giving up their valuable leisure for the company's benefit. Numerous people are doing TAFE courses of one sort or another and are having their fees and books reimbursed on successful completion. But there is resentment about the in-house course - partly too because of the instructors whose qualifications are in doubt. (from notes on participant observation, July 1991).

By the end of the research period this training had been incorporated into the accredited EPC. Although it was still run in-house, the course content had been brought into line with industry expectations, ensuring portability of the qualification. The trainers conducting the course had also completed competency-based train-the-trainer courses. This type of action, in combination with the visual display of workers' competencies (described earlier) helped workers of influence to act as the corporate conscience and allowed them to use training for workers' ends instead of it being a means of management control.

## Conclusion

Despite the foibles of the MML management in the processes of organisational change, despite the shifting boundaries in which the workers of influence operated, there were significant actions that workers of influence put into practice to effect change at MML. They demonstrated trust in management and showed respect for them that was in keeping with the paradigm of lean manufacturing as accepted by the company. They accepted increased power and acted in an empowered manner and with considerable autonomy. They were given confidential information and used it wisely. They had impact on the company at the policy level thus directly influencing the decision-making of management. By keeping solidarity amongst the workforce they were able to present a focussed front to management which strengthened their capacity to be persistent about matters of change. They were realistically positive about the company both internally and externally which further boosted the trust that management had in them. They were politically astute in back stage dealings and they had enough power invested in them to act as the corporate conscience.

This chapter, in providing a discussion of the flow of power and influence at MML and in defining the strategies used by workers of influence to influence management

decision making, sites the workers of influence in a central place in the process of organisational change. Being virtually unrecognised in the literature, they constitute the lost leaders of organisational change. Their role at MML was crucial in the change process where they were able to use identifiable strategies, which contributed to the management of change. The identification of this important group and their role in organisational change opens up new avenues for research which may have significant impact on management theory. The conclusions to this research and the implications of the findings are summarised in the next chapter.

# Chapter 8
# Conclusions and Implications

This thesis is about the implementation of organisational change. Within that large field it is specifically about the voice of the worker in the processes of change. The purpose of this thesis was to investigate the manner in which workers were able to influence the generation and implementation of change. In order to do this, a longitudinal case study on change was conducted over three years in one organisation. In combining an action research approach with a processual perspective on the change process in an organisation undergoing planned change, a novel research method, called processual action research, was developed. In examining the three-year period of transition at MML, in the context of its history and the internal and external environments, the actions of a particular group of workers, called the 'workers of influence', were identified that reveal the importance of these people to the process of organisational change.

The process of change at MML consisted of incremental steps such as changes to workplace layout or to systems of work or management, changes to the working environment or working conditions, or changes to the products manufactured in the factory. Simplistically, there were three types of changes observed at MML: those that were sponsored by management, those that were sponsored by the workers and those that had joint sponsorship because they were of mutual benefit to both parties. Some changes with one-sided sponsorship were potentially exploitative of the other party, but this was not always the case. For example, the workers of influence

originally sponsored the provision of literacy training for the benefit of the workers. Although the company received a government grant to implement the training, there were still significant costs to the company in terms of the loss of direct worker productivity, since workers attended classes in paid time. However, the management conceded that the training gave recognisable benefits to the company, in the form of better educated workers. Where there was common interest in a specific change, the workers of influence were able to facilitate the uptake of change through their influence on both their peers and superordinates, as was the case with the introduction of lean production. Where a management-initiated change did not have worker sponsorship, the workers of influence sometimes worked against change effectively enough to inhibit it, as in the case of the casual worker policy. On the other hand, some worker-sponsored changes were also implemented because of the strategies employed by this group of workers. The overtime policy is an example of this. The workers of influence worked to achieve their own aims, within the context of the company, or from their own perspective of the aims of the company. This was so, whether the change program was initiated by senior management, middle management or by the shop floor. These workers exerted varying degrees of influence over time and with changing circumstances and were able to be identified as leaders and change agents in the organisation.

The observed importance of workers in the change process in this company suggests that under programs which promote employee involvement and participation, workers of influence are likely to play an important role in steering change processes. However, they have not been a strong focus in the literature. Instead the attention to date has been on managerial level players in organisational change. As a result the workers of influence, being at shop floor level and without significant positional power, are under-represented in the literature. This research suggests that, since the workers of influence have an identifiable and important role to play in organisational change, it is time for a reassessment of management theory with respect to this role. Indeed, an understanding of the role of this important element of organisational change is critical to the understanding of the implementation of

change. The research highlights a weakness in management theory in the area of the mechanics of organisational change. To repair this weakness, a focus on the presence and the actions of workers of influence is needed. This needs to include a discussion on the relationship between workers of influence and other players internal to the organisation, that is, the various levels of management and other workers (their peers). Focus is also needed on the relationship between workers of influence and the external environment, including unions and other traditional channels of employee representation, as well as the legislative framework that impacts on workplaces (particularly industrial relations and OHS legislation) . This is vital if we are to develop a more complete understanding of organisational change. This important area of study has far-reaching implications across diverse, but related areas of study. They include the theory and literature of organisational change, leadership and change agency, worker participation and involvement and the examination of power relationships in organisations. There are also implications for the work of practitioners of organisational diagnosis and the implementation of planned interventions in organisations.

## The research questions

Chapter 1 set out a series of research questions that emerged from the data. Considering these in turn, the following answers are evident.

### Who were the workers of influence?

Workers of influence were individual shop floor-level workers. They were employees with no supervisory role, but they had influence over others. Their influence extended over all levels in the organisation, in a formal or informal sense, although some workers of influence had more influence than others. The positions they held were ordinary shop-floor jobs in the non-trades, trade and administrative areas of the company. Some workers of influence were invested with legitimate power by their peers through their election as worker representatives on formal consultative groups such as the Consultative Committee or Safety Committee and are

termed *representative* workers of influence. Others occupied employee advocacy positions such as such as HSR or union shop steward (being also elected to these roles and positions by their co-workers) and are called *advocate* workers of influence. These people had legitimate power invested in them from outside the company, through legislative backing or through accredited membership of their union. Others had no formal or informal legitimate power, but were shop-floor workers who, by holding significant knowledge or insight, could demonstrate their influence over the views of others. They were able to cross the boundaries between management and the shop floor. These are called *informal* workers of influence. The categories were not mutually exclusive, for example, some workers of influence were both advocates and representatives. The membership of the group of workers of influence was not fixed over time. Some were long-term workers of influence, others were short-term and others held the role for a transient period. At any one time, approximately 14% of the shop floor workforce could be regarded as workers of influence.

## Could workers of influence be described as leaders or change agents?

An examination of the literature on leadership and change agency reveals skills, competencies and expertise that define the operation of leaders and change agents in organisations. At MML there were many similarities between managers and workers of influence in the demonstration of these criteria. Workers of influence were opinion leaders to whom others looked for advice and whose ideas and actions restructured the perceptions and expectations, not only of their peers, but also of their superiors in the organisational hierarchy. As leaders they were also change agents with both the competencies and expertise necessary to facilitate change. It was in the distribution of power, influence, autonomy and control that the leadership and change agency of workers of influence and managers varied and management defined the boundaries of the (lesser) power held by the workers of influence in the organisation.

### What were the roles of workers of influence in shaping the processes of organisational change and the structures of power, autonomy and control in the workplace?

As leaders and change agents who participated in management decision-making, workers of influence worked within formal and informal organisational structures to influence the thinking of their peers and superiors. They gathered ideas from their constituents and put these and their own ideas for change forward for consideration by management. They oversaw their implementation, drawing on the solidarity of the workforce and the open relationship with management for support. Workers of influence fostered new work processes and policies and brokered their development and implementation. They called management to account when decisions were likely to be made that were incongruent with the principles of lean production that management asserted that they had adopted. Thus, they made it morally difficult for management to thwart their ideas. In this way they had strong influence not only on the process of organisational change, but also on the structures of power, influence, autonomy and control in the workplace.

### How were their boundaries of operation defined, maintained or changed?

Management set the boundaries of power, influence, autonomy and control in the first instance and did this openly by stating that their role was to 'manage the business'. But these boundaries were not static; they were malleable. Management were able to expand and contract the boundaries, as they did during the life of the research, by stating limits or making unilateral decisions that workers of influence were powerless to contradict. However, the boundaries were shifted in response to actions by the workers of influence. The workers of influence were able to influence the movement of these boundaries by displaying trust in and respect for management, presenting new policy ideas and by actions which demonstrated their active participation in organisational change.

### What strategies did workers of influence use to influence organisational change?

The data reveal that within their shifting boundaries of operation, workers of influence were able to use a range of strategies that affected the generation and implementation of change and influenced the change process at MML. These strategies were:

- Demonstrating trust in and respect for management that was in keeping with the paradigm of lean manufacturing as accepted by the company.
- Accepting increased power and acting in an empowered manner and with considerable autonomy.
- Using information wisely and respecting the confidentiality of some information.
- Introducing new ideas at policy level thus influencing directly the decision-making of management.
- Maintaining solidarity amongst workers and presenting a focussed front to management.
- Being persistent about matters of change.
- 'Talking up' the company in a realistic and positive manner both internally and externally.
- Acting 'backstage' in a politically astute manner.
- Using their power and influence to act as a corporate conscience.

These were the strategies observed at MML over the research period; they do not necessarily represent the entire repertoire of strategies available to workers of influence in other times or places. Significantly, in this company there was not a culture of militancy or industrial sabotage by disgruntled workers. Instead they used the agreed processes of conflict resolution that were established in the company by both employees and management, as is discussed in this thesis.

## Contribution to knowledge

### Research method

This research was conducted using a new research method, processual action research, during which the researcher adopted the dual roles of researcher and paid consultant. This method combined elements from both processual research and action research. It placed emphasis on the process of change in the context of the organisation by examining those processes over time, but unlike processual research, was concerned with intervention using an action research-style cycle of inquiry. Adopting the role of paid consultant to the case study company made the research essentially self-funding. There was no reliance on a funding body or scholarship, but the arrangement still allowed room for the researcher role and function.

In times of economic and funding restraint, this method could provide access to a living organisation for in-depth longitudinal research over an extended period of time; opportunities that are increasingly rare for the full-time researcher. However, the method is not only valuable as a tool for hard economic times, but is also a valid research method in its own right. The adoption of dual roles and the essentially 'live-in' nature of the consultant/researcher potentially provide unprecedented access to company information and people. Given that qualitatively different data may be made available to the 'consultant' as compared to the 'researcher', the method provides the opportunity to use the data that are the best available. The method provides the opportunity for the researcher to become truly 'engaged' in the organisation and to be able to focus on intervention as well as implementation.

### Recognition of workers of influence

Workers of influence did not identify themselves as a group, nor did other workers or management. Their identification as a group of people with influence in organisational change arose from an examination of the research data. The idea of

the worker of influence is thus a contribution to knowledge. A taxonomy of workers of influence has been established in this thesis.

### Reassessment of the leadership and change agency literature to include their applicability to workers of influence

The literature on leadership and change agency places significant emphasis on the exemplars of senior managers and other people in organisations with considerable positional power; workers are rarely mentioned. Even in the literature on worker participation (where the focus on workers and management might reasonably be expected to be more evenly shared), workers tend to be treated as either passive people or as active resistors of organisational change. They may accept or reject change but they are not portrayed as leading it. The voice of workers of influence is virtually missing in their role as leaders and generators of change.

The approach of this thesis was to re-appraise the literature on leadership and change agency and examine its applicability to workers of influence in the organisation under study. The literature was found to be relevant; workers of influence can be categorised as leaders and change agents, they demonstrated the same skills, competencies and expertise as managers. However, as discussed above, this research demonstrates that it is their relative power, influence, autonomy and control that distinguishes between the extent of their influence and the strategies that they use to engender change. The identification of this group of organisational players and the assessment of their pivotal role in the process of change provides fresh insight into the nature of organisational change.

### Identifying the strategies that workers of influence take to generate change.

As outlined above, the research describes and analyses the strategies used by workers of influence to affect the generation and implementation of change from the empirical data. However, there are limits to the observations in this research, given

that it was located in one organisation and over one period of time. Even though the length of time of data collection was significant, the organisation was operating within a specific external context. In particular, since the time of the data collection there have been marked changes in industrial relations legislation. At the time of the study there was strong government encouragement for industry to adopt consultative and participative management styles, the Workplace Change Program being one means of achieving this. The union movement backed this push. More recent trends have seen an erosion of Industrial Awards and collective bargaining and a greater focus on individual negotiation. In this industrial climate a contraction of participation and involvement by workers might be expected. Although workers of influence might still be apparent in organisations, the strategies they employ may vary with the external context.

## Importance of this research

Given the observed importance of workers of influence in the change process in this company, it could be expected that the experience of other companies is comparable. The research therefore has potentially wide applicability in organisations in transition. Its applicability in other organisations needs to be the subject of ongoing research.

Workers are not passive participants in organisational change, neither are they necessarily obedient to the calls or cajoling of management, nor are they always active resistors of change. Rather they can be active participants in organisational change and can generate, stimulate and impede change albeit from their apparently lowly organisational status. This position deserves further recognition and research. Workers operate within boundaries of control in their organisation. That is, they are able to make decisions at varying levels over a range of issues that are implicitly or explicitly defined. These will be prescribed by management in the first instance, but are subject to ongoing change. That is, workers may negotiate increases or decreases in the boundaries of their influence, or management may alter the boundaries in response to actions by workers or other external influences.

Some managers will choose a participative or collaborative style of management to introduce change. They will seek active input from workers in the development of the details of change (for example machine layout, machine design, work flows, relations with internal and external customers and so on – that is, the best way to do things). As this research revealed, the success of collaborative management and worker involvement and participation hinges on managers having respect for and trust in their workforce, that is in adopting an 'abundance mentality'. Managers can demonstrate this by allowing workers of influence to exercise their influence as leaders and change agents, by giving workers of influence power, influence, autonomy and control within agreed boundaries and by being willing to shift those boundaries according to the needs of the workers, management and the organisation. Management needs to deliver consistent and congruent messages to workers and avoid adopting a coercive management style within the guise of an open style. If managers say that they respect the input of workers (as experts) to improving the efficiency of the organisation and if they are prepared to give workers increased responsibility for their work and value their input, then it is imperative that they be prepared to negotiate in the same frame of mind about appropriate remuneration. If this is not done, the message from management about the way they value workers and their work will not appear congruent and management will inevitably be seen as untrustworthy, coercive and will be treated with suspicion.

As discussed early in this thesis, an outcome of managing the internal, political environment of organisations to increase individual job control can be healthier workplaces in which management and workers can work collaboratively. However, the health effects of the changes in workplace power, autonomy and control are not necessarily seen in the short term. Even in a case study as long as this one, the effects of organisational change were not evident in outcome-based OHS statistics (eg LTI). These may only become apparent many years later. Notwithstanding this, information about the health effects of organisational change need to be taken into consideration in the design of planned organisational interventions.

## Implications for future research

Even extensive case studies conducted over a long period of time do not reveal all there is to know about the operation of an organisation. The data used in this thesis were from one organisation studied over a long, but finite period of time, therefore not all of the strategies available to workers were necessarily played out or observed. Further research and the application of these concepts in other organisations over time may help to construct a more complete picture of the range of strategies, activities and actions used by workers of influence.

The absence of a discussion about workers of influence in the organisational change literature needs to be addressed. In particular, further research into the mechanics of organisational change and the role of workers of influence is needed. The relationship between workers of influence and other organisational players also needs attention. Recognition of and action in this important area of study will have implications, for both the theory and practice of planned organisational change.

Horizontal control, where worker leaders with little authority have control over the work of their peer team members, has implications for power relationships and individual job control that are outside the scope of this thesis. While there is a considerable literature on the development and function of shop floor teams, further research needs to focus on the relationship between workers of influence, teams, team leaders and team members. A processual research approach to these issues would improve our understanding of organisational politics at shop floor level and would contribute to management theory.

The health effects of diminished power and control in the workplace that have recently come to light (as discussed in Chapter 1) are of grave concern as there are significant deleterious health effects for people engaged in work where they have little autonomy and job control. This is something that can be altered, it could be argued, far more readily and cheaply than some of the medical interventions for ill health and disease. Australian OHS legislation, while varying in detail between the

various jurisdictions, is based on the premise that OHS is an area in organisations where management and employees should work collaboratively to resolve problems. Therefore there is strong legislative support for understanding the role of workers of influence, the issues of power, influence, autonomy and control and the boundaries of autonomous action in the workplace in order that they be made healthier as well as more productive.

## Postscript

The old adage goes something like, 'being the best is like riding a bicycle – you have to keep pedalling in order to stay up'. Life is not static. Now years later, only one of the managers who worked at MML in 1994, at the end of the data collection, remains in the organisation. On the other hand, almost all of the workers nominated as workers of influence remain. In fact, the turnover amongst this group appears to have been extremely low. This raises some questions that would be worthy of exploration from the research perspective. How does the turnover of workers of influence compare with non-workers of influence? If there are differences, what factors influence this? Could interest in the work or loyalty play a part? The turnover of managerial versus non-managerial staff also raises questions about where corporate memory lies. Given that the length of the stay of managers in the organisation appeared to be relatively short, a stronger corporate memory may exist on the shop floor. Shop floor workers under an autocratic management may have a limited view of the organisational world, but in an organisation where strong participatory principles operate and where workers of influence have access to 'big picture' information, they can be expected to hold significant, multi-level corporate memory. If nothing else, this is reason enough for managers to work in collaboration with workers.

The Achilles' heel of workers of influence is the potential for deleterious effects on their power, influence, autonomy and control from changing management. Management defines the boundaries for workers; if management changes and new fences are built that confine workers to a smaller patch, what is the effect? Reports

from workers of influence still at MML in 2000 (and in informal contact with me) describe the new management as 'autocratic', 'unresponsive to the needs of workers' and 'treats workers like they are disposable'. Although the formal consultative processes still exist, according to informants they operate out of habit (and perhaps hope, on the part of the workers of influence) and have no real effect. There have been some serious injuries and some serious near-miss events with no subsequent preventive action. The power-base of the workers of influence under these circumstances has been significantly eroded; the patch made smaller. Given that significant benefits accrue to enterprises where workers are given the opportunity to change work, methods need to be identified that allow the power of workers of influence to be made durable in the face of changing management, regardless of their management style.

# Appendices

## Appendix 1 – Interviews conducted at MML during 1991, Stage 1 of the research

| # | Person Interviewed | Dates |
|---|---|---|
| 1 | Engineering Manager | 8.3.91 |
| 2 | Special Projects Engineer | 8.3.91 |
| 3 | Production Manager | 8.3/27.6.91 |
| 4 | HRM Manager | 11.3/21.5/27.6.91 |
| 5 | Materials Manager | 11.3.91 |
| 6 | Divisional Manager | 12.3/27.6.91 |
| 7 | Accounting Manager | 12.3.91 |
| 8 | Shop Steward, FIA | 12.3.91 |
| 9 | Shop Steward, MEWU (AMWU) | 13.3/30.5.91 |
| 10 | QA Manager | 13.3.91 |
| 11 | Organiser, FIA (retired) | 15.3.91 |
| 12 | MTIA/MTFU rep | 4.4/17.4.91 |
| 13 | Secretary, FIA | 5.4.91 |
| 14 | Asst State Sec MEWU | 8.4.91 |
| 15 | Snr Inspection Officer | 3.5.91 |
| 16 | Ford Q101; soundtrack of video | 23.5.91 |
| 17 | HSR Press Shop | 29.5.91 |

| # | Person Interviewed | Dates |
|---|---|---|
| 18 | HSR Inspection | 29.5.91 |
| 19 | Supv Press Shop | 29.5.91 |
| 20 | Supv Department J | 29.5.91 |
| 21 | HSR Department J | 30.5.91 |
| 22 | HSR Department D | 30.5.91 |
| 23 | Supv Department C | 30.5.91 |
| 24 | Supv Inspection | 30.5.91 |
| 25 | Supv Department D | 3.6.91 |

# Appendix 2 – MML's Guidelines for the Consultative Committee

## *Preamble*

1. 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.

## *Objectives*

2. The objectives will be to improve:

   - the quality of working life; and
   - the overall productivity of all employees;

   with the ultimate aim of maintaining and contributing to the Enterprise's competitiveness both nationally and internationally.

   In turn, the provision of greater job security will be achieved by developing and increasing employees' overall skills whilst at the same time offering new and advanced employment opportunities.

   These objectives are seen by all parties to be mutually beneficial.

## *Functions of the Consultative Committee*

3. Functions of the committee will include, but are not limited to:

3.1 Receive from representatives reports on the affairs of the enterprise including such matters as:

3.1.1 Market conditions and prospects;

3.1.2 Project manpower and skill requirements;

3.1.3 Proposed technological or other significant changes and their anticipated effects;

3.1.4 Any problems that have not been resolved at shop floor level;

3.1.5 Contracting;

3.1.6 To consider any other matter placed on the agenda by Committee members;

3.1.7 To increase understanding of the enterprise's objectives and plans and to promote a more co-operative approach to resolving the problems in the industry and the enterprise;

3.1.8 To obtain and discuss the views and concerns of the employees;

3.1.9 To discuss management proposals and the effect of proposed changes on employees;

3.1.10 To identify problems and work cooperatively to develop solutions in all areas of the enterprise's operations;

3.1.11 To provide and discuss information and reports on particular areas of the Enterprise's operations including aspects such as:

a) work practices and performance;

b) quality, efficiency and productivity evaluation;

c) competitive position of the Enterprise;

d) other matters of concern to management or employees.

3.1.12 To promote harmonious industrial relations through consultation and discussion including the negotiated settlement of particular and appropriate issues with a view to minimising lost time through industrial disputation.

3.2 Both parties accept that certain information could be considered as commercially sensitive or subject to security restrictions. Every effort will be made by both parties to respect such considerations of confidentiality while making available as much information as possible.

3.3 The committee shall also produce regular minutes for distribution in the enterprise, which contains both reports on its activities and in which both management and employee perspectives can be accommodated on particular issues.

3.4 Matters relating to Industrial Relations will be dealt with by the Shop Stewards and not by the Consultative Committee. However, committee representatives can be used as a resource in dispute resolution when desired.

## *Structure of the Consultative Committee*

4. The Committee will comprise equal numbers of management and employees:

4.1 *Management*

Of members drawn from management, one member should be from Senior Management

4.2 *Employees*

Employee representatives will be stewards from each Union (MEWU & FIME) along with other representatives from the shop floor. Any member of the Committee shall cease to be recognised as such upon termination of employment within the Enterprise. Also, any employee representative shall cease to be recognised as such upon resignation from the Union or upon assuming promotion to a management position.

4.3 *Elections*

These to be held at a combined Union meeting at least every 12 months.

4.4 *Minute secretary*

The Minute Secretary shall be appointed by the committee and shall be someone with note-taking skills. The Minute Secretary shall be a non-voting member of the committee.

4.5 *Chairperson*

The Chairperson shall be elected by the committee from within the committee for a period of six (6) months. Employee representatives shall

meet to determine their nominee and inform the committee of their decision. The Chairperson, once elected, will choose a deputy to act in their place in the case of absence.

4.6 *Meetings*

Consultative Committee meetings will be held on a regular basis as agreed by the committee but at least monthly during normal working hours. Extra-ordinary meetings of the committee may be called after informal discussions between both parties.

4.7 *Recording of minutes*

Minutes shall be circulated to committee members for verification prior to distribution to representatives for circulation to employees. Every effort shall be made to have the minutes published within one week of the meetings. The minutes shall include:

- A list of attendees at the meeting;
- A summary of the issues and alternatives proposed with brief supporting arguments;
- The decisions made, time frame for implementation of decisions and the persons responsible for action;
- Time frame for consideration of deferred decisions.

4.8 *Agenda*

The agenda will be prepared and issued by the Chairperson to all committee members at least five (5) working days prior to the meeting. Any committee members may submit agenda items. All members shall submit as agenda items all important matters requiring management decisions that would have an effect on employees at the conceptual stage of consideration. Appropriate information shall be provided with each agenda item submitted. The party raising the agenda item shall outline the proposal at a meeting of the committee and it shall be recorded in the minutes of the meeting. The party receiving the proposal shall not be required to respond to the proposal at that meeting.

A report from the Occupational Health and Safety Committee shall be a permanent agenda item.

4.9 *Use of resource people*

To ensure the smooth and effective operation of the committee, it is agreed that after prior discussion by the committee, people from outside the committee (Resource People) may be engaged to assist or address the committee on a particular issue or topic.

4.10 *Rights and duties*

All members of the committee shall carry our their duties in a responsible and honest manner in the spirit of this agreement.

4.11 *Resources*

Committee members shall have reasonable access to office and communications equipment to allow them to carry out their responsibilities. Committee members shall be allowed half an hour before each meeting to discuss agenda items. Committee members shall be allowed one (1) hour paid time during the period between meetings to consult with the people they represent. Union officials may be called in when required.

## Appendix 3 – MML's lean production 'acid test'

| The Acid Test | | |
|---|---|---|
| | Yes | No |
| ***Does this decision:*** | **Just Do It!** | **Ask Why?** |
| Eliminate waste of waiting? | | |
| Eliminate waste of motion (effort)? | | |
| Minimise inventory? | | |
| Eliminate overproduction? | | |
| Eliminate defective goods? | | |
| Minimise material movement? | | |
| Eliminate waste of processing? | | |
| Use the best known methods/ideas? | | |
| Support just-in-time (pull) systems? | | |
| Simplify the process? | | |
| Support management by sight? | | |
| Improve flexibility? | | |
| Reduce variation? | | |
| Reduce lead time? | | |
| Improve uptime? | | |
| Maximise throughput? | | |
| Improve understanding? | | |
| Support the operator? | | |
| Improve safety? | | |
| Reduce cost? | | |
| Improve quality? | | |
| Improve responsiveness? | | |
| Reduce set-up time? | | |
| Involve all impacted parties? | | |

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