INTRODUCTION

The term 'worker participation' is popular currency within public, business and governmental circles at the present time. One might infer from the manner in which it is being hailed, in some countries, as a sort of industrial philosopher's stone, that the idea is a new one. However, even the most cursory examination of the literature will reveal that this is not the case. Worker participation is an idea which surfaced on many previous occasions, only to sink once again into relative obscurity. Perhaps the most recent strong manifestation of interest, prior to the present revival, is to be found in the ideas of the Guild Socialists. Although there was something of a decline in the popularity of this philosophy after the 1920s, developments have continued apace in some countries until the present day. Nevertheless, in recent times there has been yet another upsurge in interest and publicity, curiously enough particularly amongst management. I use the term 'curiously' since one of the features of previous exponents of worker participation has been their classification amongst the ranks of the more left-wing elements of society, hardly a label to be used for most modern managements. How then are we to account for this upsurge of interest in worker participation? This is the question to which this paper will be addressed.

The purpose of the paper is twofold. It sets out to examine the nature of worker participation, particularly the way in which the term might be used by different people for different ends. Following this initial analysis, it will seek to explore the extent of worker participation in New Zealand at the present time, particularly the forms in which it is practised. The paper aims to shed some light upon the reasons for management's current interest in worker participation. In doing so, it will be concerned with whether the term 'worker participation' really refers to participation at all, or whether in reality it is a management strategy for seeking to maintain control over a workforce increasingly uncommitted to managerial goals.

PARTICIPATION DEFINED

It is clearly important at the outset to define participation, since this is to form the basis for subsequent discussion. Fundamental to any discussion of participation is the concept of democracy. Democratic societies hold values which are aimed at increasing the freedom of the individual to control his own destiny, and the establishment of equal rights for members of those societies. Democracy is an idea which societies seek to attain through their institutions. These institutions may be, for example, public, governmental, legal or business. There are those who argue that the establishment of a political democracy and the theoretical equality of individual citizens in determining governmental policies and decisions, needs also to be reflected in economic or industrial democracy. Moreover, it does not make sense to establish political democracy and, at the same time, to leave industry under authoritarian
rule. Those who are employees of the enterprise, it is argued, should have an
equal right to the owners of the enterprise
to determine the policies. Unlike the political system, where the electorate has a
voice in the election of the government, and the government is accountable to the
electorate, in the workplace the situation is different. The bulk of the workforce is subject
to managerial decisions and management is not accountable to it. Rather, workers are subject to a contractual relationship, perhaps exercising countervailing power against management through the trade unions.

The term 'participation' has been subjected to a variety of definitions and interpretations, and has come to have a wide range of meanings. This, in part, might help to explain why the term enjoys so much popularity from so many diverse sections of society. If our discussion is to prove fruitful, it is necessary to embark upon a definition at this point. Useful in this context is that of French et al.\(^\text{3}\) who define participation as:

"a process in which two or more parties influence each other in making certain plans, policies and decisions. It is restricted to decisions that have further effects on all those making the decision and on those represented by them."

Crucial to this definition is the process of mutual or joint decision-making between two or more parties. This clearly excludes a situation in which one party merely supplies information to the other which passively receives it. This latter process cannot properly be considered a process of joint decision-making or mutual influence.

Since we are concerned here with worker participation, or more specifically, workers' participation in the decision-making of the organisation, one might also question the kinds of decisions workers might be expected to participate in. Blumberg\(^\text{4}\) cites three categories of managerial decision-making in which workers might seek a role:

1. Personnel Decisions. These cover such issues as hiring and firing, promotions and transfers, overtime pay, wage rates, hours of work, holidays and training.

2. Social Decisions. These might be associated with the administration of welfare programmes, health and safety regulations, pension funds and similar things.

3. Economic Decisions. These might in turn be divided into:

(a) 'Technical issues concerning methods of production, production planning and control, division of labour, design of jobs, and organisational arrangements; and

(b) 'Business' issues such as organisational objectives and priorities, product lines, markets and sales, expansion or contraction of operation, rationalisation, capital investment, distribution and use of profits, changes in plant organisation, mergers and so on.

These give some idea of the range of decision-making areas over which participation could conceivably extend. Some of these areas are more immediately related to the job the individual does, others are somewhat less immediate, but form the framework within which the job is carried out. A closer examination of the sort of listing outlined above reveals a further characterisation of types of participation. These may be termed power-centred and task-centred.\(^\text{5}\) Power-centred participation has as its aim the extension of bargaining power of workers within the enterprise, and is directed also at making managerial decision-makers more accountable to the unions or directly to the workers. Task-centred participation emphasises the job as a likely source of satisfaction, an increase in which is likely to lead to greater productivity and better industrial relations, thereby facilitating the attainment of managerially-set goals for the organisation.

Each of these kinds of participation has different aims. Power-centred participation aims at participation in decisions which


\(^5\) Clarke R. D., Falchett D. J., and Roberts B. C. Workers' Participation in Management in Britain (Heinemann, 1972), p. 7.
shape the overall policies and goals of the enterprise. It might further be concerned with the questions of who makes decisions, at what level, and on what issue? Task-centred participation restricts itself to those decisions relating to the immediate job, and within the framework of decisions already made about goals or policies at the higher level. The individual worker may or may not have the desire to participate at one or both of these levels. However, one thing remains clear, all decisions made at the higher level impact in some form or other at the task level. The immediate effect upon the worker of decisions made for a particular level of profit, or for a particular product or market all have their impact in the constraints they bring to bear on subsequent decisions. Investment decisions, for example, may not appear to affect workers, until perhaps the plant closure plans are announced. Both kinds of decision-making are closely interwoven. To concentrate solely upon the task level begs an important question about the decisions made at higher levels which have resulted in the kind of work being carried out, the kind of technology being used, and the amount of discretionary content built into the job itself.

Clearly, a crucial question to consider in any discussion of worker participation is the aim of that participation. Any understanding of the different forms of ‘participation’ which have been put forward, and in some cases implemented can only be gained by relating them to the underlying goals and the ideological standpoint of those proposing them. It is to these factors that we now turn.

GOALS AND IDEOLOGY

Those who support forms of participation might be regarded as falling into two distinct camps.6 There are those who advocate forms of participation which embrace both the determination of organisational goals, as well as the establishment of means to achieve those goals. One might think of these as representing a left-wing non-managerial viewpoint. Equally, there are those who restrict the scope of participation merely to the determination of means, with the goals already set by management. These tend to have what might be considered a distinctly managerial perspective.

Obviously, the purpose or goal of participation will determine not only the type of participation proposed, but the attitudes and expectations of the parties involved towards it.

Participation, then, may take a number of forms with different goals depending upon the beliefs of the chief proponents.7 At one extreme are those who believe that worker participation does not need to mean anything more than an improvement in the two-way flow of information and ideas between employers and employed, and who might advocate methods for ‘improving communication.’ At the other extreme might be the advocates of workers’ control, who argue that regardless of ownership, the workers should have a dominant, if not the sole, voice in determining the management policy of the organisation in which they work.

In order to begin this enquiry into the goals of participation, one must consider the concept of ideology. An ideology is the system of beliefs or ideas characteristic of a particular group. As we noted earlier, it is management who are in the vanguard of the most recent developments in participative approaches. It is only fitting, therefore, that we begin with an examination of the possible beliefs which management hold about participation. Two reasons for this interest in participation are worth noting at this stage. There are those who view democracy in the workplace as an extension of democracy in the wider society, reflecting a belief in the terminal desirability of worker participation. That is to say, participation is a desirable end in itself. One might, however, see worker participation as an instrumental activity, in other words, a means of achieving other desirable outcomes. Managements, for example, place a high value on profit and business efficiency as criteria of success. Participation may be considered instrumental by them insofar as it makes a contribution towards the achievement of organisational objectives. Management’s view of worker participation may indeed be closely allied to its own goals of higher productivity and greater efficiency. Many of the discussions favouring participation have their foundation in the belief that

7—Shutt H. (ed.), Worker Participation in West Germany, Sweden, Yugoslavia and the United Kingdom, QER Special No. 20 (The Economist Intelligence Unit Ltd 1975) p. 2. 
participative methods will arouse employees' interest and co-operation leading to greater productivity and the pursuit of managerially-defined goals. It may also be seen as a way of reducing conflict so often apparent in modern organisations by promoting a harmony of interests between management and the workforce.

In seeking to permit greater opportunities for workers to have a say in decisions, one implies a corresponding reduction in the amount of influence and authority in decision-making presently exercised by management. The casual observer may, at first sight, be somewhat puzzled in seeking to explain why any move to increase the power of the workforce, and lessen the prerogative of management, should be welcomed by management. Indeed, one might almost expect the reverse of this, that management would seek to resist or at least contain any schemes which might challenge managerial authority. How then are we to explain management's preoccupation with participation at the present time?

VIEWS OF THE ENTERPRISE

In order to answer this question, one needs to examine the range of beliefs which management might hold about the nature of the enterprise. Two rather contrasting views of the enterprise have been most clearly expounded by Fox. These he labels the 'unitary' and 'pluralistic' frames of reference. The unitary view of the enterprise sees members of the enterprise striving jointly towards the achievement of a common objective. There is one focus of authority, the manager. The closest analogy, perhaps, is that of a team. The belief in a common purpose and harmony of interests denies the validity of conflict in the enterprise. Since conflict over objectives or methods is impossible, it is put down to personal incompatibilities, faulty communications, stupidity on the part of the workforce or the work of agitators. Managements subscribing to the unitary view may further hold the view that trade unions are unnecessary in the modern world where management is the best equipped to look after the interests of the workforce. Indeed, trade unions, it is believed, achieve nothing for their members which would not be forthcoming in any case.

In contrast to the unitary frame of reference, the pluralistic view sees the enterprise as consisting of many separate interests and objectives. The degree of common purpose which exists may be rather limited, and sectional groups go about pursuing their own interests in different ways. Because of these differing interests, conflict is endemic to most organisations. Further to this, far from introducing conflict into the organisation, trade unions merely act as a vehicle for the expression of such conflict as would exist in any case. The trade union, apart from its protective function, may seek to place curbs on managerial prerogative by its involvement in decision-making on behalf of its membership. These decisions may include rates of pay, the use of managerial authority, or many other decisions in which managements engage. It is a matter of practical significance that workers, through the process of belonging to representative organisations, such as trade unions, have sought to influence, and where possible, control, the process of management decision-making. It is interesting to note, therefore, that when managements speak of worker participation, they speak not of enlarging the role of the trade union as a means of extending the degree of participation afforded to the workforce in decision-making. Rather, managements have turned to other vehicles for worker participation which rely, for the most part, on methods other than trade union involvement.

PARTICIPATION AND IDEOLOGY

Management's frame of reference is likely to influence its orientation towards worker participation quite markedly. Where-as the unitary viewpoint may lead to a search for ways to increase the degree of passivity and acquiescence on the part of the workforce and trade unions, the pluralistic view sees active participation by workers in the determination of the conditions affecting their working lives as a crucial objective. In turn, each of these underlying ideologies may lead to quite different methods and aims, in the proposals of those holding them, towards worker participation. It may be worth examining the implications of these at this point.
Any management accepting the realities of the pluralist perspective on organisations would see its task not as one of containing and controlling the workforce, but one of developing a democratic and participative system of industrial relations. In doing so, it would have to come to terms with the realisation that for this, the trade union is the most suitable vehicle. Clegg, for example, argues that the chief scope for worker involvement in decision-making lies in the power of the trade union to challenge and oppose management. Anything which reduces the union’s power to oppose, decreases industrial democracy, and hence involvement in management decisions creates the illusion of involvement whilst reducing the substance.

Pluralists have argued that pressures ‘from below’ in the organisation and pressures ‘from without’ are increasingly forcing managements to take stock of their situation. Pressures from below arise from the demands made upon managements by an increasingly self-conscious and articulate labour force demanding its rightful share of power in the enterprise. Pressures from without come from the increasing pace of change coupled with growing government involvement in organisations of all types. This has meant that managements must look increasingly for new and better ways of managing which may necessitate changes from established practices. Because of these changes, and because of changes in the social climate, workers are no longer willing for management to make decisions without justification or consultation with those whom the decisions are to affect.

Managements with a pluralist perspective, then, would seek to establish ways in which the different interests of those within the organisation could be reconciled. The most effective means for this is through collective bargaining, where unilateral decision-making is abandoned in favour of joint regulation. This is the essence of what McCarthy and Ellis term ‘management by agreement.’ They suggest that conflicting claims upon the organisation can best be reconciled if an attempt is made to reach agreements with the representatives of the workforce in a framework of jointly-agreed rules. Many managements are reluctant to accept the trade union in this participative role for two main reasons. Firstly, they see an extension of union involvement as a challenge to ‘management’s right to manage,’ and secondly, as a threat to managerial control. Clearly, any extension of joint regulation is tantamount to a sharing of power, so in a very real sense these fears are well-founded.

The demand from the workforce for greater influence in decision-making runs counter to management’s wish for freedom of action. We might understand, therefore, any moves on management’s part to reject participatory demands. Nonetheless, as we have noted, management have welcomed these demands, possibly contrary to our expectations. How, then, are these apparently dichotomous views to be reconciled?

Over the years, demands for participation from the shop floor have been met not with attempts to enlarge the role of the trade union, but by more direct, task-centred methods. Examples of favoured schemes include job enrichment, job enlargement, autonomous work groups and joint consultation. The advocacy of such schemes may reflect an underlying unitary philosophy whereby management seeks to maintain its position of control by making a show of appearing to share it. In other words, managements favour a plethora of schemes which give the illusion of participation without the reality of it. In this context, certain forms of ‘participation’ where there is said to be a sharing of control, may in reality be no more than a rather sophisticated means whereby management maintains the essential features of its prerogative intact. Management’s reluctance to extend the role of the trade union, but its advocacy of other schemes for participation, may reflect a management belief that these schemes lend themselves more easily to regulation by management. This would indeed appear to be the case since many such schemes involve no more than the simple provision of information to the workers, or consultation, where workers do not have the opportunity to influence decisions. This mode of participation may allow some decisions to be made, but primarily it concedes only decisions of a marginal nature within the

constraints of a framework laid down by management.

Faced with a lack of commitment to managerial policies on the part of the workforce, management may attempt to engender such commitment by seemingly offering the workforce a share in decisions. On closer examination, we frequently discover that the amount of real joint decision-making power is considerably restricted. Rarely do these decision areas involve power-centred decisions such as questions of company strategy, objectives, the distribution of dividends and financial investment, all of which nonetheless have an impact at the shopfloor level on the kinds of jobs people do.

To discuss schemes of worker participation in the abstract without first examining the possible ideologies and objectives which underpin these schemes is a fruitless exercise. Having done this at some length, we may now turn to an examination of worker participation practices in New Zealand at the present time. By examining some of the practical programmes being used in New Zealand, we may be able to determine the degree to which they reflect the kinds of ideologies outlined in the first part of this paper. That is, we may make some assessment of the extent to which these programmes give workers a true share in decision-making, or alternatively seek to act as a persuasive device in purporting to offer this share without actually doing so.

**WORKER PARTICIPATION IN NEW ZEALAND**

There is something of a shortage of published material on the state of worker participation in New Zealand, but a reasonable indication may be gained from recent surveys carried out by the New Zealand Department of Labour. Early work involved a postal survey in which 2,236 employees in 20 enterprises employing 20 people or more were questioned. This postal survey was confined to the manufacturing industries. Of the 2,027 respondents, 253 (12.5%) indicated that they operated some form of 'worker participation.' It is worth noting at this stage that the Department of Labour requested that the firms classify their 'worker participation' schemes into one of five major groups defined as: Autonomous (or Semi-Autonomous) Work Groups, Joint Consultation, Profit Sharing, Employee Shareholding, Joint Management. Only one in eight of the firms responding to the survey were operating some form of scheme as defined above, and the majority of firms operating such schemes involved Joint Consultation either by itself or in association with another element. More recent work by the Department of Labour examined in detail 65 firms from the original postal survey to ascertain closely the details of the schemes. Employees were not interviewed in the study, and data concerning employees was therefore provided by management representatives. The report notes that "good industrial relations and the desire to make further improvements appeared to be central to the reasons for introducing worker participation throughout most of the firms studied." An instrumental view of worker participation may be detected at the outset.

Before embarking upon an examination of these schemes of worker participation, a brief comment at this time may be appropriate on how such schemes were introduced. It is particularly interesting, in the light of the definition we have used of participation as joint decision-making, to note that 56 per cent of the schemes were introduced without either consultation or negotiation with the workforce. In other words, the decision was made unilaterally by management. Similarly, it is an interesting comment upon management’s view of the role of the trade union in worker participation when we find that 41 per cent of the schemes were introduced without officially notifying the trade union, and in a further 29 per cent of cases the union was informed without the opportunity to consult or negotiate.
At this stage we will examine the main schemes of worker participation in use at the present time, according to the Department of Labour's findings. We will consider these from two viewpoints. Firstly, the degree to which the schemes do in fact confer some decision-making power upon the workforce. In order to be termed schemes of worker participation, this they must do at least to some degree. Secondly, the kinds of decisions in which workers are allowed to participate. The Department of Labour's studies identified four schemes most widely used by firms. These are Joint Consultation, Autonomous Work Groups, Profit Sharing, and Employee Shareholding schemes.

**JOINT CONSULTATION**

This is the name given to a process whereby workers' representatives are invited to sit on joint worker-management committees to discuss matters of mutual concern. The purpose of joint consultation is to provide two-way communications between management and workforce over and above that which takes place informally in the normal course of workday events. Although the objectives of joint consultation have never been closely defined by its advocates, it is possible to discern three main arguments which are put forward in its favour.17

1. Joint consultation will enhance the achievement of increased productivity by involving the workers, through their representatives, in the planning and production process;
2. Joint consultation will provide a channel of communication, thereby lessening mistrust and suspicion of the workers towards management's plans and objectives, and
3. Joint consultation will ensure for the worker a voice in the management of the enterprise. In this way, a moral right would be satisfied, and increased co-operation and efficiency would result.

An examination of the limitations of joint consultation may help to explain why it has rarely fulfilled these promises. Perhaps a most fundamental point to stress is that most joint consultative committees are advisory bodies. Rarely do they actually have any decision-making power. Their function is to provide a vehicle whereby management can collect the views of the workforce which it may take into consideration when making decisions. Furthermore, the range of topics which the joint consultative committee is permitted to discuss is also severely limited. Studies of joint consultation show that these topics are generally of an historical and non-contentious nature.

The simple provision of information without the power to act upon it, as we have argued, does not constitute joint decision-making, and hence cannot be said to be a participative activity. Moreover, in the absence of any real power to influence events, it is hardly surprising that the workforce turns its attention to those areas where it may be able to influence decisions in an effective way, such as collective bargaining. In general, these criticisms of joint consultation are borne out by the findings of the Department of Labour's survey:

"Most representative committees played a primarily advisory role and had no authority or only limited authority to make decisions."18

In summary, joint consultation as outlined in the discussion above, cannot properly be considered a form of worker participation.

**AUTONOMOUS WORK GROUPS**

In recent years there has been a growing concern with the job itself as a source of participation in decision-making. A variety of different schemes have been proposed whereby this might be brought about, including such things as job enrichment, job enlargement and autonomous work groups. The term 'autonomous work groups' refers to the process of using natural work groups, or creating small groups of workers to carry out particular tasks. This approach involves some delegation of control to workers, with a corresponding increase in the amount of discretion and decision-making in respect of their particular jobs. Such delegation does not imply, however, any surrender of management's right to determine the overall objectives of the organisational structure.

18—*Worker Participation in New Zealand: A Study of Worker Participation in 65 Manufacturing Firms*, op. cit. p. 31.
tion, and thus the limits which that implies. Although there may be undoubted benefits of this approach both to management and the workforce, one must question the degree to which this is a form of worker participation. Autonomous work groups exercise discretion over a range of decisions, for example in methods of work, allocation of work and the like. However, this discretion is never open-ended. It is always exercised within a framework of prescribed limits, and these limits are set by management. Although exponents of autonomous work groups may speak eloquently about the humanisation of work and concern for employees, it is questionable to what degree these work arrangements stem from a concern with employees themselves. Rather, it is probable that such schemes stem from dissatisfaction with diseconomies resulting from previous work arrangements, such as high levels of turnover and absenteeism resulting from boring and repetitive work.

An examination of the Department of Labour's findings reveals some doubts over the degree to which these groups could be said to be 'autonomous' in the true sense of the word. Not only is the decision-making activity constrained severely by the degree to which management deems it appropriate or useful, but even within this framework, management representatives may still make the final decision. Although in most cases "group views were taken into account and the supervisor functioned primarily as a leader," in nine out of the sixteen cases cited by the Department of Labour's report, the foreman or supervisor had the final say. 19

**PROFIT SHARING AND EMPLOYEE SHAREHOLDING**

A total of 23 schemes were examined in the Department of Labour's survey which involved some form of profit sharing or employee shareholding in the business. As forms of worker participation, these schemes may be dismissed fairly briefly. Both these types of schemes, in essence, seek to link employee effort to the performance and well-being of the enterprise. Schemes such as these, however, are limited to participation in the profitability of the enterprise and rarely carry with them any right to participate in decision-making. One might argue that the owner of shares enjoys the right to vote, and even to veto company decisions at shareholders' meetings. In reality, this is rarely the case, and nor do workers usually have sufficient shares to make an effective impact upon the running of the enterprise in this way. Moreover, many such schemes are specifically designed to prevent workers from gaining a majority shareholding.

Schemes of this nature may hold benefits for management in giving the workers the feeling of greater involvement in the enterprise, even if they do not offer the reality of it. In terms of participation in decision-making, very little involvement, if any, is provided for, and management continues to exercise the power to take decisions unilaterally.

**SUMMARY**

I have attempted in this paper to examine the meaning of worker participation, and assess the extent of its application in New Zealand as evidenced by published data. Despite a belief that the pluralistic view of organisations represents a more realistic perspective, we notice nevertheless a marked lack of participative activity of the sort we might expect to find from managements holding this frame of reference. Instead of a move towards increasing the involvement of trade unions as a means of bringing about joint regulation of the enterprise, we find, if anything, a move in the opposite direction. Insofar as it has sought to introduce and develop schemes of worker participation, management has done so using a variety of other means, in many cases specifically excluding the trade union from any involvement or consultation. On the other hand, if the unitary view of organisations is widespread amongst management, how are we to account for this marked interest in worker participation? The answer to this question might be in the forms of participation being proposed. If management could employ a version of participation which afforded both an apparent increase in joint decision-making, whilst at the same time allowing management to retain control over the key decision-making areas of the enterprise, we might conclude that this would prove an attractive course for management to follow. On the one hand, management could pay lip service to those demanding a greater

---

19 Worker Participation in New Zealand: A Study of Worker Participation in 65 Manufacturing Firms, op. cit., p. 32.
say in decisions, and on the other, avoid having to relinquish any of the key management prerogatives.

I have argued that this is indeed what current schemes of worker participation in New Zealand do. All these schemes, to a great degree, reflect an underlying unitary philosophy. The assumption is made that management, by looking long and hard enough, can find ways to persuade employees to work together for the common good of the enterprise. Attempts are made to find ways whereby the employee might be persuaded to identify with management’s objectives. The concentration is upon task-centred as opposed to power-centred participation. Any move towards power-centred participation would be a move towards changing the present authority relationship in the enterprise which a unitary management would seek to oppose.

An examination of the New Zealand situation seems to offer little evidence that management sees worker participation as anything other than a technique. If this technique is successful in persuading the workforce to work harder, or more productively, it may be adjudged a success from management’s standpoint. That it is participation in the true sense of the word remains questionable.