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MANAGEMENT ROLE IN EMPLOYEE PARTICIPATION: A COMPARATIVE STUDY OF
MULTI-NATIONAL ENTERPRISES IN INDIA AND THE U.K.

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Management Role in Employee Participation: A Comparative Study
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THESIS SUMMARY

This research is an Anglo-Indian comparative case study. It studies managerial action in the participation arena of two British multi-nationals i.e. Cadbury Limited and ICI Plc. The research was carried out in matched pairs of factories of the above named companies, located in the Midlands of the U.K. and in Bombay in India. The data for this research was collected through semi-structured interviews with managers and non-management actors, study of company documents and non-participant observation of some participation forums.

The research conceptualises the idea of a "participation arena" consisting of the structures, processes, purposes and dynamics of participation. This arena is visualised as broadly reflecting the organisation structure and can be divided into corporate, unit and shopfloor level. Managerial action in this arena is examined in terms of interaction between three sets of factors i.e. company business objectives, strategies and policies; managerial values of power and control; and the responses of unions. Similarities and differences between management action in the home and host plants of the two multi-national companies are also examined.

The major findings of the research are as follows. There is significant difference between the participation arena of the parent and the subsidiary company. The latter is marked by absence of higher level participation forums and lack of opportunity for employees to discuss, let alone influence, key decisions. This results from parent company control over key activities of the subsidiary. The similarities in management action in the participation arenas of the two companies in both countries can be attributed to the operation of the three sets of factors mentioned above. Nevertheless, the particular circumstances of each company are a greater influence on managerial action than the national context.

Finally, future areas of research in this field are explored.

KEY WORDS

Participation Arena; Industrial Relations; Management Control; Cadbury; ICI.

Dedicated to the toiling millions who still cherish the dream of directing their own destiny someday.

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CHAPTER 1 INTRODUCTION

This introductory chapter provides a brief overview of what the thesis contains and why. It briefly describes the core area of this research and relates it to the contemporary academic discussion about participation. The chapter also highlights the relevance of this research both for India and the U.K. (the two countries where the study has been carried out) and discusses the rationale for adopting a comparative perspective. The importance of studying employee participation in multi-national enterprises with specific emphasis on the managerial action is commented upon. Towards the end of this chapter, the structural layout of the thesis as well as the contents of the different chapters is presented.

This research studies the management role in the "participation arena" of two British multi-national enterprises- Cadbury Limited and ICI Plc. It is an Anglo-Indian comparative case study which analyses the managerial actions in two carefully selected factories (one in the U.K. and the other in India) of each of the above mentioned multi-nationals. The thesis considers the "participation arena" as consisting of all the structures and processes (along with their purposes and dynamics) that may allow workers to exercise some kind of influence over various organisational decisions and processes. This arena is viewed as having three levels, broadly corresponding to the organisational structure, namely the corporate level, the unit level and the shopfloor level. The thesis studies managerial action within the participation arena in terms of interaction between three sets of variables: company business objectives, policy and strategy; management values about power and control; and responses of the union(s). It examines whether these factors have similar effects on managerial action within the participation arena in the differing contexts of India and the U.K.

The thesis also focuses on the parent-subsidiary relation within multi-national enterprise and how such interaction affects managerial action in the participation arena at the subsidiary level. In addition to the empirical questions, the research also considers the applicability of theoretical concepts, models and explanations (about employee participation) developed within a western capitalist framework to a developing economy such as India.

1.1. STUDY OF PARTICIPATION: SATURATION AND SCARCITY

The decision to add to the already voluminous empirical and theoretical literature on participation stems partly from some practical events of the last decade in the developed and the developing world, and partly from some of the conceptual and theoretical inadequacies still persisting in this field.

The highly competitive market conditions and waves of worldwide recession in the 80s, have directed attention to the need for more flexible labour utilisation and more efficient working practices in many countries including India and the U.K. This need has been felt with different intensity in different industries, countries and organisations. It has been felt more particularly in labour intensive industries, in competitive markets like the U.K. and in countries like India where laws and regulations restrict managements' response-choices. The management need for employee co-operation (which often means and involves total compliance) has never been greater and, as a result, the employees have been the target of managerial attention. There has been a focus on "participation" in its softer forms (commonly referred to as "employee involvement" in contemporary usage e.g. see Marchington et al., 1992), as a supposed means of eliciting such co-operation. The vast growth in the study of Human Resource Management has given further impetus to interest in employee relations and its mechanisms

in organisations.

In Britain, in the last decade, the Conservative government has helped stabilise the debate about employee participation by steadfastly supporting voluntarism, flexibility and financial participation (MacInnes, 1987:104). The literature and practice in the U.K. during the 80s have emphasized employee involvement (emphasizing individual and group initiatives at the task level) more than a wider concept of employee participation; indicating a fundamental shift in approach from views on participation current in the 70s which has not been adequately explained.

Millward and Stevens (1986) report a growth of both task level and financial participation in Britain in the 80s whereas, Marginson et. al. (1988) suggest that the two may be alternatives rather than complementary. The 1980s witnessed increases in employee involvement activities and management designed communication channels with employees across the major sectors of British industry. In 1984, 35% of the employers took fresh initiatives in this regard compared to a corresponding figure of 24% in 1980 (Millward and Stevens, 1986:153-65).

However, the strategic levels of participation recommended by the Bullock Committee (1977) have not been widely pursued. Rather there seems to have been more interest in task-level involvement (Rathkey, 1983). One development supporting this conclusion is the rapid growth of Quality Circles, which according to Collard and Dale (1989:359) involve "significant organisational and structural changes in the traditional pattern of authority relations". Some earlier views (McCarthy, 1966)- that the growth of shop steward influence would bring about the decline of joint consultation has since been disproved in the 80s. Rather the recent argument is that the stewards make use of consultation process to augment the agenda

of collective bargaining (Marchington 1988, 1987, 1980 and Marchington and Armstrong, 1983). The relative decline in trade union membership and possibly also in the influence of the shop stewards in the 80s (Terry, 1986 and 1983) have complicated the arguments and could partially account for the shift in the approach to participation. Such developments as outlined above have kept interest in employee participation in Britain very much alive.

In the case of India, the study of participation is particularly interesting. The nationalistic modernising elite of India led by the first Prime Minister, Pandit Nehru, always had employee participation as a part of their grand vision of a "socialistic pattern of society". But scholars like Tanic (1969) wrote that in the existing social, political and cultural context, workers' participation in India was not likely to succeed. In spite of such observation and the failure of Works committees (an initial experiment in statutory participation), the Government of India in 1976 enshrined "workers' participation in management" as an ideal in the Constitution Of India. Reiterating the views of Tanic, Sethi (Sethi et. al., 1981:58) wrote later,

"In prevailing socio-economic framework in India, where social relation in production and distribution are unevenly and heavily biased, influenced and controlled both directly and indirectly, by owners of the means of production, it would be impossible... to make any headway with ideas like workers' participation".

It is pertinent to note that the National Front government which was in power between 1989-91 in India, not only fought and won the election in 1989 with workers' participation as one of its main promises but opened its work in the government with a seminar on the subject. All these background factors provide an interesting setting for the study of employee participation in India.

The research on employee participation in India has a long tradition and is widespread, but scant attention has been paid either to the application of existing theories in research or new

conceptualisation out of empirical research. Most of the studies of this nature have attempted only to evaluate the working of various statutory institutions of participation in relation to their objectives and have not gone any further (Alexander, 1972; Kannapan and Krishnan, 1977; Sethi, 1981; Sahu, 1983; Arora, 1992). The usefulness of western models, explanations and theories in explaining the nature and process of employee participation in a developing economy such as India is yet untested. This further accentuates the relevance of the present research.

This research on employee participation has three predominant features- it has a managerial focus as it primarily studies the role of the management in the participation arena; the study is located within a comparative framework and lastly, the research is confined to multi-national enterprises only. The rationale for focusing on these three themes in relation to participation will be discussed in the following pages. The novelty of this research is the fusion of these themes for developing a line of argument.

1.2. THE MANAGERIAL FOCUS

The central focus of this research is managerial action. "Management" is here taken to refer to three sets of meanings- first, the key policy makers of any business organisation like the directors or their immediate representatives (many call these people "top management"); second, all individuals in an organisation who are officially conferred managerial responsibility and are thus, treated as a part of the management; and finally, managers as a class (conscious of their separate identity and interest in contrast to the workers) within capitalist economic organisation. The use of the term "management" in this research has to be understood with reference to the context in which it is being used.

Although the industrial relation system, culture and context of India and the U.K. differ- the former is more corporatist and the latter is basically voluntaristic- in both, the management occupies a focal position. Neither system could work unless these principal actors want it to work. Jamieson (1980:228) notes the importance of managers in organisations and writes, "A manufacturing organisation is not only defined by its products and structure, it is also defined by the people who create and work that structure, the managerial personnel". Managerial actions and decisions are often projected as responses to external demands and contextual and circumstantial pressures. However, management not only determines and follows some objectives and plans of its own but exercises considerable choice in its responses to the contextual pressures. Reflecting on empirical evidence from Britain about participation schemes, Heller and Warner (1984:76) write, "Most exercises seem to have resulted directly from management initiative and to have been undertaken largely with managerial orientation". One OECD report (1972:199) highlights the importance of managers in employee participation,

"Managers upon whom an institution of labour-management co-operation is forced by legislation or a collective agreement with which they are not truly in sympathy, are not likely to approach the operation of such bodies enthusiastically and may consciously or unconsciously sabotage them".

But the research into the role, action, motivation, strategy of management in industrial relation in general and the participation arena in particular has been rather scanty.

At the beginning of the last decade, Marchington (1980:17-18) wrote about this deficiency,

"Most of the energies of the researchers have been geared towards assessing employee attitudes, their desire for participation and problems associated with its extensions to the relative neglect of the position of the managers. To be sure, the manager should be a critical link in the participative structure and it is important therefore, to investigate his role. To what extent is he in favour of increasing participation, when after all, he may have had little to do with its introduction? What techniques are at his disposal to prevent loss of control and how does he legitimate

the use of those? Questions such as this are central to any discussion of participation".

Purcell and Smith (1979:3) and Poole et. al. (1982:285) too agree that there is a relative neglect of managerial role in such research. There is similar evidence from Thurley and Wood (1983).

Direct and indirect focus on management in the industrial relation literature of the 80s (Poole et al., 1981, 1982; Purcell, 1987; Purcell and Sissons, 1983) has alleviated the problem to an extent. More recently, Nichols (1992:19) has indicated the need for focusing on management in the labour process analysis. Though Smith and Thompson (1992:5) note a new concern with management strategy, they also point out that,

"only a small minority have positively asserted that management alone can reform organisations, with or without an overtly pro-capitalist position. The majority of papers treat management as an agency by default, given the perceived and actual absence of alternatives..."

They record the distinctly positive advantages of a focus on management.

This research aims to contribute towards further restoration of the balance in literature. The increasing international mobility of capital and its agents and the relative immobility of labour enhances the relevance and importance of keeping the spotlight on the management.

1.3. COMPARATIVE ANALYSIS: A FASHIONABLE NEED

The internationalisation of research in business studies seems to have followed the globalisation of capital. Comparative studies are no doubt a part of current academic cat walk. But the need for comparative research seems to be growing in proportion to the international movement of capital, diffusion of new technology and management practices into countries and societies of various hues. Adler (1982:226) writes, "Growing internationalisation demands that

a narrow domestic paradigm be replaced with one that can encompass the diversity of a global perspective". The employment relationship within this global economic system and its specificities within various nation states has been of interest to the social scientists (Littler, 1982; Enderwick, 1985; Banaji and Hensman, 1990). The growth of comparative studies has also led to many methodological debates about units of comparison, choice of the units and concept equivalence (Sorge and Warner, 1986; Poole, 1986b; Oyen, 1990; Brewster and Tyson, 1991).

At a broader level, comparative analysis has also generated debate about the "convergence-divergence" thesis and its related arguments and refinements within capitalism as a mode of economic organisation (Kerr et al., 1960; Hickson et al., 1979; Maurice et al., 1980; Rose, 1985; Lane, 1989; Smith and Meiksins, 1991) . Convergence theorists have concerned themselves with building all-embracing and over-arching theories whereas others (Marchington, 1987, for example) have advocated more context related theorisation. This debate has somewhat obscured the need for more of middle range theorisation that could explain the particular-universal linkage. More comparative research could possibly help eliminate the theoretical gap. Expressing a similar view, Thompson et. al. (1992:1) write, "An international frame substantially increases the possibility of finding undoubted national peculiarities. It remains an important task of social science to identify trends and patterns. Such a task is impossible without comparison".

Comparative research with singular emphasis on the theme of employee participation is also important for several reasons. First of all, the issue of applicability of western concepts and models explaining participation to the non-western context continues to be a matter of conjecture and hope which can be partially resolved with more of comparative research. Ramsay (1983b:261) optimistically claims, "A

cycles type analysis of participation can be fruitfully applied internationally within the capitalist world". He goes on to add,

"As such, and given the increasingly visible bonds which tie separate nation states together into a world capitalist system, it can be expected that the analysis should have far more than parochial relevance. Rather a degree of uniformity of motion, however different the surface institutions of industrial relations, seems a reasonable expectation. Moreover, the system linkages might lead one to a marked simultaneity and perhaps an international cycle".

Any survey of literature on participation reveals how limited comparative research has been despite the volume of published literature. In a literature search conducted by this researcher in 1990 using the Quest on-line search facility, it was found that out of 3985 items listed under "workers' participation", only two hundred contained the expression "comparative study". About 14 of these were actually comparative studies of participation based on survey data including reference to India and the U.K. In spite of a surge in research interest about developing countries, the relative absence of comparative industrial relations literature studying India and the U.K. is rather surprising. This scarcity has been noted by earlier researchers as well (Tayeb:1991). Suffice it to say that this research would be a small contribution to an almost non-existent area of research.

Grouping India and the U.K. under one umbrella of a comparative research raises several interesting and challenging possibilities. U.K. is (one of) the oldest industrialised country in the world and India is one of the largest industrialising countries in the world. The colonial association has created many common linkages between the two countries which are particularly reflected in the politico-legal system of India in the shape of a parliamentary democracy, rule of law, constitutional conventions, politically neutral permanent civil service and an impartial judiciary. The socio-economic thinking in India too has been influenced by the concept of "welfare state" which was primarily nurtured in the U.K. British colonial rule laid the foundation of capitalist economic

organisation in India and its industrialisation. Referring to Indian factory set up, Holmstrom (1984:28) talks of this linkage,

"This technology was brought to India with at least some of the forms of organisation and assumptions about work and industrial relations, which were then current in the West, particularly in Britain".

At a more specific level, one finds that much of industrial legislation in India like the Factories' Act or the Workmen's Compensation Act are modified legacies of British rule.

However, there are substantial differences between the two countries as well. For example, industrial relation is highly legalised in India but it is more voluntary in the U.K. or for example, caste is the primary base of social stratification in India as against class in the U.K. The two countries are radically different in terms of population, climate, economic achievements, standard of living, culture, education and socio-religious make up. So the two countries, in certain respects, are similar without being the same and different without being divergent.

Apart from the researcher being a linkage and a justification for this comparative study, there are other factors that render such a study desirable and meaningful. The relative scarcity of Anglo-Indian comparative literature in this area and the historical, legal, political and economic connections of India with the U.K. as contributing factors have been referred to earlier. Employee participation as a subject of interest both in industrial and academic circle has a long tradition in both the countries. It has always been an item on the political agenda. Moreover, British industrial capital in shape of foreign direct investment (FDI) has been the first to enter India and the largest even today. Factory organisation, employment practices and forms of work organisation have entered Indian industrial life through British human agents. India, furthermore, is one of the most advanced developing countries and, like the U.K., has an important manufacturing base.

The two countries, therefore, represent an ideal combination of similarities and differences, linkages and gaps for a meaningful comparison which will not get swamped by too much similarity or dwarfed by too many differences. Comparisons of countries too similar or too different tend to rely on explanations based on well known similarities and differences. A balanced blend of similarities and differences help conclusions derived from comparisons to be more meaningful and specific than simplistic and general.

1.4. MULTI-NATIONAL ENTERPRISES

The last element in this comparative research is the multi-national enterprise. These are projected today as the "real shakers and shapers of the world economy" (Amin and Robins, 1990:26). There has been much debate since the early 80s about the true nature of multi-national enterprises (MNEs), their impact on national and international economies, the accounting and the work practices of these organisations and their role within capitalistic restructuring (Pitelis and Sugden, 1991; Hyman, 1991; Harvey, 1989; Martin, 1988; Lash and Urry, 1987; Ramsay, 1986a). Some social scientists critically admire MNEs as the most powerful institutions produced by capitalism as yet (see Dunning 1981). Balls writes (1992:8), "Multinational companies, far from being the gloved hand of first world imperialism, are an important source of economic growth for the developing countries". Others fear their unstoppable momentum where there is likelihood of "nationally based firms becoming multinational and multinational corporations becoming more multinational" (Thrift, 1988:9). This momentum is so strong now that foreign direct investment by MNEs is fast overtaking international trade as the driving force behind the globalisation of the world economy. The total stock of world FDI now stands at \$1.7 trillion with annual flows in 1990 amounting to \$225bn (source: World Investment Report, 1992). Other gigantic strides by multi-nationals

in the 80s have been noted by Ramsay (1986a:1).

The academic interest in MNEs have come in waves, and the latest interest in Europe has been generated by the prospects of closer European economic integration and its impact on the nature of both multi-national and uni-national enterprises. The MNEs have also lately been projected as the only players capable of surviving in economic booms and busts of capitalism (Bartlett, Doz and Hedlund, 1990). Similarly the newly liberalised economic regime in India and its wooing of multi-nationals for more investment has revived academic interest in their working in that country. It may be of interest to note that according to the World Investment Report (1992), East and South Asia (India falls within the latter) together received 53% of the total FDI inflow to the developing countries during 1986-90.

In addition to a general interest in multi-nationals, the management of employees and relations of the subsidiary employees to the parent company management has been a subject of controversy and debate. Liebhafberg (1980), Baliga and Negandhi (1981), Buckley and Enderwick (1985) and Enderwick (1985) have all concentrated on the management of industrial relations in multi-national enterprises. Banaji and Hensman (1990:20) write,

"Multi-national strategy has two major advantages. One is that it effectively insulates the management levels where the major decisions are made from bargaining pressures. The other advantage is that it enables the companies to utilise poor employment conditions and lack of union rights in some parts of the world by appealing to the principles of not interfering with the local practices".

The attempts of some multi-nationals to impose culturally alien employee relations practices in the host country (e.g. the so called "beauty contest" at the Sunderland factory of Nissan in the U.K.) have raised the questions about the motives and the effectiveness of such imposition. Takamiya (1981) and Pratten (1976) see the superiority of multi-nationals stemming partially from an ability to

overcome the local barriers to efficient utilisation of labour (current example could be no-strike agreement at Toyota in the U.K.). Organised labour has often been suspicious of and hostile to such firms and their moves (Gennard, 1972; Edwards, 1977; Oliver and Wilkinson 1988). Ramsay (1986a) has specifically focussed on relevance of multi-nationals for issues of industrial democracy in Australia.

This background gives an interesting basis for researching further into industrial relations in general and employee participation in particular of multi-national enterprises which are acknowledgedly under-researched areas (Warner and Peccei, 1978). Enderwick (1985:1) comments, "Perhaps what distinguishes labour aspects from the other issues generated by the multi-national enterprises is their comparative neglect in the literature". Further, research into multi-nationals overall is said to have had an American bias (Otterbeck, 1981; Enderwick, 1982). This research could contribute to the literature on British MNEs who controlled more than 53% of foreign direct investment in India well into the 80s (Nagesh Kumar, 1990:18).

From a methodological point of view, in a comparative cross-national research, the validity of conclusions can be improved if some variables can be fully or partially controlled. The continuity that the multi-national capital provides to the business organisation in the two countries and its agency, the management, help keep research attention fixed on a restricted area and limit the variables to be examined. The present research could have been conducted in two different uni-national companies confined to the national boundaries of India and the U.K. But the conclusions arrived at through such a research would be based more on the contextual variations than managerial action per se. Continuities within otherwise disparate circumstances can help to explain

managerial action in the participation arena more in terms of intra-organisational factors and in a way, create a pressure and motivation to look for such endogenous factors. In the absence of the continuity that a multi-national management lends, the inclination to rely on contextual explanations, beyond the control of particular organisations or the individual actors in them, will be higher.

Thus, employee participation, management role, comparative research and multi-national enterprises are all relevant themes in present day management and business literature. These all have a bearing on the two countries under study. An attempt has been made in this thesis to bring together these themes into a coherent and compact body of knowledge.

1.5. STRUCTURE OF THE THESIS

This thesis has been divided into ten chapters including this Introduction which is the Chapter 1. **Chapter 2** reviews the existing literature on the subject of employee participation and its related themes like management power and control, management values and ideology. The literature on multi-national enterprises too is reviewed in this chapter, as is the nature of comparative cross-national research and the issues pertinent to it. In the course of the literature review, attempts have been made to present the theoretical perspectives and standpoint of this research in relation to the existing body of knowledge and to indicate various research questions which will be pursued in this research.

Chapter 3 briefly describes the explanatory model used in conceptualising this research. The model is presented in shape of a diagram and the various terminology used in it is explained. The chapter also discusses the methodology followed in carrying out this

research. It describes the process of research: moving through the choice of organisations, gaining access to these, the decision about the tools of data collection, the pre-testing of the tools and the actual experience of the data collection. It also argues in support of the methodology followed and the reasons for discarding other potential approaches.

The **Chapter 4** introduces Bombay, where both the Indian units of this research are located, as a micro-industrial society. The industrial environment of Bombay has been discussed with reference to the nature of labour market, labour legislation and the trade unions. This discussion has been broadened to include a few aspects of the industrial environment in India such as the labour legislation in India, her industrial relations system and the role of principal actors in it. The history of employee participation and the position of multi-national enterprises in India have been discussed. This Chapter is meant to be a window to those whose acquaintance with aspects of India relevant for this research is limited. This Chapter has very little to say about cultural aspects of India as culture is only peripheral to this research.

Chapter 5 analyses the first of the four case studies- the case of Cadbury U.K. It traces the origin of Cadbury in its historical context and very briefly, discusses the course of its growth over last 170 years. It identifies management determined objectives, policies and strategies of business and relates those to the developments within the "participation arena". The structure of participation forums, their changes through time have been investigated and correlated with management objectives, values, strategies and the union responses.

Chapter 6 enumerates the case of Cadbury India and traces its evolution in the chocolate business in India and draws parallels

with and differences from its parent company. The Chapter discusses the parent-subsidiary relationship within Cadbury and its impact on the operation of Cadbury India and its employee participation. The participation system has been discussed in relation to the Indian law and various managerial initiatives.

Chapter 7 studies the case of ICI U.K.. The participation structure at the Gloucester factory is analysed in relation to the company's policy and overall structure of participation. These are related to the business aspects of the organisation as well as how managers at various levels act with regard to the participation mechanism.

Chapter 8 presents the case of ICI India. It examines the relationship of the subsidiary to the parent company and puts that in relation to the working of the Thane (suburbs of Bombay) factory. It describes the participation activities within the factory and relates these to the industrial relation history of the plant. It also discusses the responses of managers to the various participation forums.

The **Chapter 9** uses key findings from the four case studies to analyse on a comparative perspective the management role in employee participation. It makes comparisons on both an organisational basis and a country basis and highlights similarities and differences.

Chapter 10 is the concluding chapter which summarises the findings and identifies future research possibilities.

All the case studies have been structured in a similar format for ease of comparison. The narratives have built-in analysis within the cases and wherever the need was felt, appropriate sub-titles have been provided for convenience of reading and reference. Conclusions have been put at the end of each case and at appropriate intervals

within a case study as well (usually at the end of each section within a chapter).

Wherever Indian expressions have been used by the interviewees, their closest English rendering has been inserted. A word of apology may be in order here. The researcher, for ease of writing and because of his long personal habit has used masculine forms of all nouns and pronouns throughout the thesis but has no gender bias or prejudice whatsoever. The third-person form of writing has been used only to uphold long standing academic traditions and not to sound intellectually profound.

It is felt appropriate to close the introduction with a quotation from Richard Kim ("The Way Of The East" in *Orientations*, August 1978, Page 71)

"Because of major differences in thought and language, the attempt to explain Eastern ways by using the English language makes for severe limitation at the best, irreparable disasters at the worst".

CHAPTER 2 LITERATURE REVIEW

INTRODUCTION

This chapter critically evaluates a broad spectrum of the literature on participation and its related themes such as power, control, ideology and legitimacy. Literature on multi-national enterprises and comparative cross-national research too has been reviewed. The theoretical framework and methodology of this research have been informed by the reviewed literature and are located within it. The sheer volume and variety of literature, past and present, made the task quite daunting, but effort has been made to put together similar themes and locate possibilities for further theoretical exploration. Wilpert et al. (1978:xi) note the utility of such an approach,

"Specification of definitions and models utilised not only insure greater internal consistency... but also foster the process of overall model building by putting together the result of specific but conceptually congruent studies".

The cautionary reminder of Thurley (in Wilpert and Sorge, 1984:171) that "Industrial democracy is also clearly a difficult area of comparative cross-national research... It is also a highly ambiguous concept, clearly likely to drop naive researchers into very deep pits of misunderstanding and confusion" has been borne in mind through out this exercise. Ramsay's (1990, 1980) criticisms and expectations about studies on participation too have shaped the formulation of this research.

2.1. APPROACHES TO THE STUDY OF PARTICIPATION

Wilpert (Wilpert et al., 1978:164) articulates the problem of studying participation,

"It is difficult to think of an area which has created a voluminous literature more diffuse in meaning and purpose, with more contradictions, with a greater plethora of undefined terms, with more ambiguous theoretical under-pinnings, and with fewer useful statements for the policy makers than participation".

After critically evaluating theories of democracy, Ramsay (1982) has identified four academic approaches to participation: unitary, liberal institutionalist, liberal participatory and Marxist. Poole (1982) identifies three major schools studying participation- the cyclical, the evolutionary and the comparative. Whipp and Smith (1984:4) classify most available literature into four broad clusters. The first, called the "cycles school" (studies of Coates and Topham 1970, Brannen et. al. 1976 and the celebrated works of Ramsay 1977, 1980, 1983a, 1983b, 1991) sees participation emerging in cycles or waves coinciding with events like war, economic crises, social or political turbulence. As Ramsay (quoted in Whipp and Smith, 1984:5) writes,

"Participation has attracted managerial attention on a large scale when they have experienced a challenge to their authority from below, this usually coincides with a crisis in the need for motivation of labour effort".

This school (particularly Ramsay's approach) has recently been criticised by Marchington et al. (1992) as too deterministic and narrow. They advocate a "waves approach" instead. However, how far it is different from Ramsay's approach in spirit, its utility over the latter and its categories, are questionable on several counts (the authors, of course, acknowledge that their approach is still at a developmental stage). Its only distinct advantage is its focus on micro analysis.

The second approach sees participation arising out of certain

structural changes in the capitalist system and the attempts of the organised labour to gain more control (works of Touraine, 1974; Mallet, 1975; Gorz, 1978; and Nikolinakos, 1978). Nikolinakos (1978:8) observes, "Industrial democracy is a product of class struggle, consequently it must be looked upon as a result of historical process". The technological determinism of Blauner (1964) and Woodward (1965) suggested a direct relationship between technological refinement and workers' control. This school suggests that managerial specialisation facilitates devolution of decision-making and more local control. However, Whipp and Smith (1984) question the empirical validity of such theorisation.

The third, called the "benefits to management" school sees participation as a panacea for management problems like absenteeism, turnover, low morale and as a booster of productivity. Clarke et al. (1972) list the benefits of participation for management and Herzberg (1968) prescribes the means of actualising these benefits. This school draws heavily on the neo-Human Relations movement.

The last school called the "industrial relations school" presents a mixed approach where writers like Dahrendorf (1959) see participation as an institutionalisation of authority mechanism alongside the institutionalisation of conflict. Others like Hugh Clegg (1975) in the same school look upon industrial relations as basically rule-making concerning employment and consider participation as creation of appropriate status positions and constitutional rights befitting the body of rules. The orthodox Marxist school naturally rejects all talk about participation and considers it as additional means of further exploitation- what Clarke (1977) calls as "institutionalised suppression of conflict". Braverman (1974:35) considered all participation as "faddish".

More recently, Allen et al. (1990) have identified two broad schools

of thought- those who consider employee participation as a means to managerial ends and those who see it as an end in itself. The two schools, following Cressey and MacInnes (1980), have been labelled as "incorporationists" and "progressives" respectively, by Rowlinson et al. (1991).

No school in itself explains the phenomenon of employee participation adequately for all are steeped in their own ideological premises which often lead to a partial- at best- and twisted- at worst- understanding of the reality. This research is not deliberately located in any particular school but takes a theoretical base which is possibly a cocktail of the cycles interpretation and the industrial relations approach. A comparative cross-national research, due to the large number of variables and maze of patterns involved, requires a broader theoretical framework than required by non-comparative studies or comparisons located in one country.

The Indian literature on participation has either been a part of broader literature on industrial relations (Mamoria, 1978; Puneekar et al., 1981; Monappa, 1985) or an evaluation of the working of employee director schemes in public sector undertakings (Mohan Das, 1980; Gopal, 1984; Tulpule, 1984) or of various statutory mechanisms of participation (Alexander, 1972; Seth, 1972; Kannapan and Krishnan, 1977; Leberman and Leberman, 1978; Sethi, 1981; Singh, 1981; Sahu, 1983; and Arora, 1992). The research on participation in India singularly lacks any theoretical underpinning and has contributed very little to the design of this research.

Poole (1982) lists four comparative perspectives on participation- those focused on cultural, ideological or value patterns; those focused on differential structures of collective bargaining with centralisation versus decentralisation and the extent of government

intervention; historical comparisons and finally, those focused on macro-level power comparisons. Comparative research on participation has been mostly confined to surveys of the IDE (Industrial Democracy in Europe, 1981) type (also ILO, 1979). Most such research studies attitudes to participation or institutions of participation only in developed countries. Ramsay's (1983b, 1982) macro comparisons of participation in different European countries, on his own admission, are founded on very limited information base.

Other comparative studies have either been European comparisons of participation in context of labour relations (Kennedy, 1980), trans-Atlantic comparisons (Kuhne, 1980), studies of practices and cases in different countries (Virmani, 1978; Crouch and Heller, 1983; Wilpert and Sorge, 1984; Sarma, 1990) or about multi-national companies in the developed world (Wilpert et.al. 1978) or about multi-nationals in different countries (Schaupp, 1978). Organisational comparisons of participation within a country, according to Strauss (1979:250), have commonly addressed two questions, 1. To what extent is prescribed participation associated with actual participation? 2. To what an extent prescribed or actual participation lead to gains for the management or increase the power of the working class? There are hardly any case studies on participation in the parent-subsidiary perspective in the context of developed and developing world and with particular reference to India and the U.K. This combination is one of the things unique to this research.

Unlike the ideological divide, the methodological distinctions have been of a limited kind in the studies about participation. Ramsay (1990) while affirming the value of case studies, notes their scarcity and the bias towards surveys in participation research. Ramsay (1990:24) classifies some studies as more than surveys but less than case studies. He also notes the narrow base of such case

studies which are mostly confined to the engineering and petrochemical concerns in the manufacturing sector.

Ramsay (1980:46-47) suggests that any meaningful analysis of participation must include a) an explicit theoretical basis about the nature of industrial relations b) elaboration of key concepts like power c) concern with actual working of participation and d) explanations of observations combining theory and observation. This research has attempted to follow these prescriptions. From that viewpoint, reliance of this research on the works by Ramsay is both its strength and weakness.

2.2. NATURE AND CONCEPT OF PARTICIPATION

This section is concerned with the understanding of the nature and various concepts of participation. One principal difficulty in studying participation is the imprecise use of the term "participation" and other terms such as "industrial democracy", "employee involvement", "consultation" which are often used interchangeably and differently. Eldridge et al. (1991:143) in their recent review, acknowledge it as a "contested concept". The lexical meaning of participation is "to share" or "to take part" (Oxford Advanced Learner's Dictionary, 1989) which upholds Pateman's (1970) contention that "participation has to be participation in something". However, Pateman's notion has been severely criticised by Ramsay (1982) for failing to accept the fundamental nature of conflict between capital and labour in a capitalistic society- a conflict which undeniably exists and cannot be wished away.

Roca and Retour (1981) having examined the usage of the term "participation" by 30 authors concluded that the dimensions of participation are varied and within each dimension there are marked discrepancies. Walker (1975:436) maintains that "workers'

participation in management occurs when those at the bottom of the enterprise hierarchy take part in the authority and managerial functions of an enterprise". Taking part, however, can be vague and subjective left to individual interpretation without definitive criteria. It may range from silent admiration to violent action. So managerial notions of participation, it may be argued, are shaped by what the organisation is trying to achieve through participation. Thus, the managerial understanding of participation can be the same in different contexts if their expectations out of it are same or similar. It may be different within the same context if the organisational purposes are different. Ramsay (1990:26) has highlighted the relative neglect of managerial objectives in case studies on participation and the importance of studying these.

Clarke et al. (1972:6) regard participation as "including any process whereby workers.... have a share in the reaching of managerial decisions in enterprises". Similarly, Wall and Lischeron's (1977:38) generalised definition of participation includes influence in decision-making processes through interaction between workers and managers and information sharing. They see the degree of participation linked to the degree of influence achieved through such interaction and information sharing . Thus, there is a broad agreement that participation has to be in the organisational "value allocation" process which is basically the decision-making activity. Wilpert (in Wilpert et. al.,1978) sees a basic unity in the concept of participation as a "social problem reality" despite the apparent conceptual diversity. However, interpretations about where exactly within the organisation, how much and through what means this participation is to materialise have varied. These are the issues of dimensions of participation.

2.2.1. DIMENSIONS OF PARTICIPATION

Organisations have well demarcated subjects for decision-making at each level of the organisational hierarchy. Consequently, the opportunities for participation could be located at all levels of the organisation. With a macro view, Poole (1986a:16) has identified seven levels within a society for workers' participation ranging from on-the-job to the level of the economy, out of which the enterprise level would be the organisational summit. Ramsay (1991:5) identifies four broad schemes of participation- task and work group involvement, communication and briefing systems, consultative arrangements and financial participation.

Clarke et al. (1972:5) have distinguished between "task-centred" and "power-centred" participation. In the former case, the workers are allowed greater control over their immediate work environment. Job redesign, job enlargement, job enrichment and other "pop management techniques" (Smith and Meiksins, 1991) belong to this category. Social psychologists (Argyris 1962, 1964; McGregor, 1960; Likert, 1961; Herzberg, 1968) perceive a need for task-centred participation and many researchers agree that management immensely benefits from such participation. Some refer to it as "direct participation" as the individual worker is a player in this process- a kind of ancient Greek direct democracy. Abrahamsson (1977) refers to it as participation at the "socio-technical level". This kind of participation is what is currently referred to as "employee involvement" (Roberts and Wilkinson, 1990; Black and Ackers, 1990; Marchington et al., 1992).

Ramsay (1991:1) links the growth of such "softer and more managerial techniques" to the new social and political climate and sees them as means of engineering consent (Ramsay, 1985). Questioning its real value, Stewart Clegg (Crouch and Heller, 1983:7) writes, "In fact,

its real value may be for the already concentrated power of the management rather than the more dispersed and fragmented power of individual workers". Similarly Hawkins (1978:119) observes, "It appears to solve the problem of how to give workers more discretion in the job performance of their job without weakening the management control over the broad objectives of the enterprise". It may, therefore, be argued that managerial preference for task-centred participation is premised more on its insignificant consequences for overall managerial control than the benefits it provides to management.

Power-centred participation refers to workers taking part in higher level decision-making e.g. plant, enterprise, company and group level. It is an indirect representative form of participation which Abrahamsson calls "political participation". Abrahamsson (1977:189) comments that the political level participation affects the executive role and could affect the environment whereas, the socio-technical participation only implements higher decisions and will purely be internal. Minett (1992:10) calls it "strategic participation". Ramsay (1982) while accepting the idea of higher and lower participation, has added the dimension of conflict and consensus to his paradigm. Once the fundamental character of labour-management conflict is accepted, it is debatable if consensus as a category can be discussed within a Marxist framework. It would have been more consistent to talk about direct and indirect conflict. Anyhow, it may be argued that even managerially initiated participation schemes can be arenas of conflict- labour trying to use it for increase of its control.

Employee involvement in the formal decision-making at any level could take the form of either negotiation or consultation. The former is considered a competitive, disjunctive and a conflict containment process and the latter an integrative and problem

solving process (Clegg, 1979; Marsh in Vandamme, 1986:14-15). Collective bargaining is the clearest form of negotiation based participation (Clegg, 1979) which is based on the compulsions of mutual dependence between capital and labour. Marchington (1987) has considered consultation and negotiation as adjuncts.

The consultative forms of participation may be founded on beneficial expectations of management and hence, be more instrumental in orientation. Consequently, these may go into disuse once, in management's view, their utility is over (a case for Ramsay's trivialization or instability thesis). These may also owe their existence to some self congratulatory paternalism based on religious values (e.g. Quakerism, the Parsi industrialists in India) or guilt of capitalist. Generation gap, economic pressures or the sheer experience of, what Child (1972) calls, "the dominant coalition" could lead to the weakening of these values and the guilt, taking away the impetus for participation.

It merits a close examination to find what guides the choice of managements between consultation or negotiation or both on a particular subject. The politico-economic context and the role of the state in industrial relations processes may mediate indirectly in the managerial choice of forms and levels of participation. The trade union response could also have a direct bearing on this choice. In the context of MNEs, it may be interesting to observe if the dynamics of this choice at the subsidiary level is in any way influenced by the parent company policy and practice, and if there are similarities in the levels and issues of participation between the two.

Schuchman (1957:6) distinguishes between co-operation and co-determination on the basis of whether the workers just have influence over decision-making or are responsible for these

decisions as well. Poole (1986a:18) writes, "The scope of actual influence... over any given issue may vary enormously from the very minimal forms of information to outright control". Pateman (1970) has used this variation in the degree of workers' influence to distinguish between "full and partial" participation. Pateman argues that partial participation is possible both at the higher and lower levels of decision-making without overall democratisation of the structure, and full participation is possible at a lower level even in an overall undemocratic structure. Pateman's argument has been adequately refuted by Ramsay (1982) on the grounds of her failure to see the power inequality in wider social relations.

This research maintains that all participation is partial and full participation is a myth within a capitalist framework. Any so-called full participation would mean an obliteration of class distinction within the organisation at least. This is impossible to achieve without a fundamental transformation in the nature of social relations and will be unacceptable to the dominant class which could devise ways of transforming it into partial participation. Means of doing so has been discussed by Meacher (1980) and by Saunders (1977:33) in his satirical critique of consultation. Class distinction is a reality reflected in the managerial affinity for task-centred participation rather than for the power-centred one. Wherever participation has been tried at the political level, it turns into incorporation and isolation of the worker representative (see Clegg in Crouch and Heller, 1983:16; Ramsay, 1982; Brannen, 1976).

Some researchers consider employee share holding as a positive form of participation (Conte and Tannenbaum, 1978; Daniel and Millward, 1983a). However, Long (1978) concludes that employee participation in decision-making has a stronger effect on the job attitudes of the employees than employee ownership. However, the motives of employee

share ownership have been noted as philanthropy, goal of equality, providing incentives and deterrence of trade unions (Bristow, 1974; Creigh et al., 1981; Dewe et al., 1988; Baddon et al., 1989; Poole, 1989; Marchington and Parker, 1990; Shirley, 1992). This research is not concerned with profit-sharing or share ownership schemes as such for it concentrates more on the interactive forms of participation. It may, however, be argued that in contexts where statutory participation systems are operating, managements are less inclined towards profit sharing. But where collective bargaining as a bipartite process is well developed and task-centred participation systems are in place, management uses profit sharing to soften bargaining and to maximise benefits from the task-centred participation.

The foregoing analysis indicates the complexity involved in the understanding of various dimensions of participation. Poole (1986a:19) rightly observes that problems of definition are unavoidable in any analysis of participation. This research, therefore, is informed by the idea that participation of employees is possible at various levels, in different issues and through various forms. Thus, "participation" has been used in this research in an inclusive sense (i.e. to include all systems considered to be giving opportunity to participate in decision-making). Conscious managerial choice of particular participative system in preference to others has an obvious strategic air about it. Since managerial action is strategic in this sense, a fuller understanding of it is possible only if participation is taken in an inclusive sense. Ramsay (1990:26) too refers to the integrated and strategic approach of managements to employee involvement. Awareness and understanding of its various dimensions add to the clarity of research.

This research, therefore, conceptualises the idea of a "participation arena" which consists of two sets of actors (the

management and the employees together with their collective organisation), the various structures of participation, their purposes and the dynamics. The "participation arena" is visualised as a shadow of the organisational structure which could be broadly divided into corporate level, unit level and the shopfloor level and it is accepted that participation could take place at any of these levels.

2.3. PARTICIPATION AS AN ISSUE OF POWER AND CONTROL

Wigforss (1981:63) wrote, "It is a curious blindness not to see that the organisation of economic life is at the same time a question of forms of control". The literature on workers' participation is replete with recurrent interpretation of participation as a problem of power and control. The underlying belief has been that, in organisations as in larger society, people clamour for a share of political power or, at the least, seek to ensure that power is exercised in a manner which is consistent with their perception of their own welfare/interests and the world view they hold. Some scholars, therefore, maintain (Cressey et al., 1985; Poole, 1986a) that the employees do not question the managerial authority per se, but only try to control the way it is exercised. However, since "exercise of power" is the essence of power (i.e. what kind of power is exercised, when, how and to what ends), control over that process gives de facto control over a company's affairs, no matter theoretically where one sees the locus of power. The notion of power or control is by no means a standardised concept. The nature of influence over the exercise of power can be varied leading to difference in the nature of participation. The following analysis reveals and untangles the complexity of the subject.

Brannen (1983) says that workers' participation is about the distribution and exercise of power in all its manifestations between

different industrial actors. Referring to the nature of this distribution, Clegg (Crouch and Heller, 1983:3-4) writes,

"Power and participation are closely related concepts, mediated by the concept of democracy....Organisations may be wholes constituted out of inter-related and individual parts but the principles of organisation are rarely those of equal interdependence. Invariably the organising principle is one of unequal dependence and exchange. By definition, the exchange rate is determined by the more than the less powerful".

Ursell (Crouch and Heller, 1983:335) also concluded that power orientation divided the management and the employees.

Tannenbaum (1966:85) distinctly relates participation to control when he defines the former as formal involvement of the members in the exercise of control, usually through decision-making in group meeting. Guest and Fatchett (1974:11) similarly argue,

"A definition of participation which emphasizes control, is important in any attempt to study participation objectively. Therefore, the potential for workers' participation in management exists when the worker can extend his control".

Cressey et al. (1985:125) consider the problem of control as an experienced reality in organisations. But the attempts at control may not be always direct and manifest. In this regard, Clegg (1989:197-198) writes,

"Another important point must be the realisation that, in many complex organisations, the politics of control and discipline are unlikely to be oriented solely towards people...Control is less oriented to the direct labour than to product quality, equipment utilisation, inventory and market".

This idea of indirect control has been particularly discussed with reference to parent-subsidiary interaction in multi-national enterprises.

However, Ramsay (1985:59) has criticised the poor conceptualisation of how and to what degree control is achieved through participation. He (1990:38) has also deplored the inadequate conceptualisation of power in studies of participation and has raised significant methodological questions about the empirical analysis of power in relation to participation. Ramsay (1986b:53) questions the synonymous use of "employee participation" and "industrial

democracy" with the argument that participation may mean many things without necessarily involving distribution of power whereas industrial democracy necessarily implies such redistribution. But redistribution can be said to be of consequence only if labour and its collective organisation are able to make effective use of it for their interests. This will partly be a function of the ability and willingness of the trade unions and employees as suggested by Minett (1992). So a willing and able union can seize control even within a managerially initiated participation scheme. Thus, the actual union response to managerial proposals and its ability to deal with various management moves can make the difference for the ultimate implication of any participation scheme. So, more than the theoretical distinction between employee participation and industrial democracy, it is the reality of union-management interaction that can shape the true nature of power distribution. Therefore, union response can be argued to be a significant factor in shaping managerial action in the participation arena.

This research acknowledges participation as a struggle for power and control and accepts the unequal distribution of such power and control within organisations which is inherent in the capitalist relationship. Though the preponderance of managerial power is generally accepted, the possibility of the power balance on odd occasions being in favour of the workers is not discounted. Similarly, the possibility of workers having greater control than the managers over a whole organisation or part of it, or on some major or minor issues for some time, is accepted. The research argues that managerial values about power and control is also a factor shaping management role in the participation arena. However, the conceptual distinction between power and control and their mutual relationship pose a tricky tangle. This will now be investigated.

2.3.1. NATURE OF POWER

There is no precise agreement about the nature of power. Power as discussed here pertains to the context of participation in organisational decision-making and not to power in general. The literature on power in wider political society is too huge to be discussed here.

Distinction between "zero-sum and non-zero-sum" concept of power is one of significance in the study of participation. The former considers power as something given, fixed and focuses on the manifest aspects of power (works of Clegg, Flanders, Dahl and Dahrendorf). Ramsay (1982) calls it the "power over" perspective. The latter conception sees power as a circulating medium like money and focuses on regulation of processes and things rather than people (works of Tannenbaum). The conceptualisation of participation as a struggle for power puts the zero-sum concept at the heart of participation. Hyman (1975:27) writes,

"The power of the management is founded, in effect, on the subjugation of the employees; and workers can assert their own control at the expense of the employer.... the frontier of control at any point of time represents a compromise unsatisfactory to both parties and attempts to shift this frontier are only to be expected whenever either side feels that circumstances are in its favour". (Emphasis in original).

The IDE Study (1981) arrived at similar conclusion. Teuling (Wilpert and Sorge, 1984:239) writes that any increase in power, particularly of the representative bodies, has to be wrested from the top management and the more countervailing this power is, the more it is accompanied by manifest conflict.

Poole (1986a) has distinguished between "manifest and latent" power and the latter has a significant place in his analysis of participation. Latent power in Bierstedt's (1950:733) formulation is "the predisposition or prior capacity which makes the use of force possible...the ability to employ force and not its actual

employment". Brannen's (Crouch and Heller, 1983:127) concept of latent power is resource-based as he writes, "Power itself is dependent on resources, not simply of numbers but of information, language and hegemony of values". In this connection, Clegg (1989:190) writes, "The central concern of organisation theories of power has been a restricted conception of "politics" which is premised on discretionary control of strategic contingencies or resource dependencies (Pfeffer 1981). Regarded this way, power is a capacity premised on resource control".

Poole (1986a:38) saw workers' participation as the reflection of latent power and the values of the actors though the role of values and its impact on the latent power vis-a-vis participation is not very clear in Poole's analysis. However, power itself can be a value and actors can have values about the nature, the need and the use of power. This could affect their perception of their own power and, as a consequence, their actions in the participation arena. Often in research, actor conception of what constitutes power and control has been ignored. Poole (1986a:38) considered changes in the balance of power as basic to participation though it is not clear if he was referring to the balance of the market power or power at the workplace. But both these seem relevant to Marchington (Purcell and Smith, 1979:152) who writes, "On a higher level, control cannot be analysed purely within the confines of the workplace, but must take in the overall power relations in the wider society". Capitalist relationship within the workplace and the larger society cannot be separated since the former is a microcosm of the latter. However, power balance at the workplace may temporarily on occasions be contrary to the balance prevailing at the market place. Minett (1992:2) writes, "Configurations of power distribution can differ between companies and in the same company at different points in time".

The "agency model of power" (see Ball, 1978; Clegg, 1989) sees power as something held by people rather than by the organisation. Clegg (1989:9) writes,

"For many pluralist writers, power was seen as something which a concrete individual had to be seen to be exercising....Indeed in these formulations, power would be subordination of others preferences and the extension of one's own to incorporate these others".

He further adds that when power is regarded as something solid, real and material possessed by an agent, then this represents power in its most concrete and pervasive mode (1989:207). However, Clegg (1989:207) clarifies his notion,

"The key to understanding resides in thinking of power as a phenomenon which can be grasped only relationally. It is not a thing nor is it something people have in a proprietorial sense. They "possess" power only in so far as they are relationally constituted as doing so".

So the understanding of power both as resource-based and as a relational concept is important and this research accepts it as such. A "resource-based" or "proprietorial" notion of power brings it closer to a zero-sum concept since any resource or possession has a finite connotation. Such a notion of power is likely to limit management action in the participation arena since workers' participation would entail the depletion of power. Seeing power both relationally and as resource-based brings it close to Lukes' (1974) "third dimension" as collective organisation possesses maximum resource-base and distinct forms of relationship.

More recently, Minett (1992) has attempted and partially succeeded in conceptualising power in relation to participation in the firm. After a wide ranging discussion of literature on power, Minett distinguishes between coercive and non-coercive forms of power within organisation and identifies "authority" and "pressures" as sources of coercive power. The former is exercised by the management and the latter by the collective force of the employees. He also distinguishes between sources and bases of power. Having well analysed the concepts thus far, he goes on to explain industrial

democracy in terms of demands in wider society for legitimization of firm's decision-making process, management's functional dependence on the workforce and workforce ambition to influence. Here he (1992:128) confuses his analysis by talking about external and internal pressures which undermine his original conceptualisation of "pressure" as coercive power of the employees. One wonders if pressure of Minett's conception is strategic action by the the employees which they are seen to be taking within the firm (an interactive relational process) or the contributing factors that create a potential ability (which may only be a perception) to exert pressure. This is a question of whether power is a relational concept or is resource-based and the stance of this research has already been clarified.

In this research it is acknowledged that, different individual actors (or groups of actors) may have different notions of power. This may create conflict regarding choice of organisational means and systems in terms of their power implications. These differential notions may affect the actual working of various participation structures. Consensus about organisational policies and strategies may help co-ordinate the disparate notions of power within organisation.

2.3.2. FACTORS SHAPING POWER

The various notions of power discussed above indirectly suggest the factors that give them shape and form. Poole (1986a) considers that economic, technological and government factors shape the latent power of any group within an organisation. Organisations being open systems cannot be insulated from the overall power play in the wider society. Various contextual factors- both internal and external- affect the distribution of power within the organisation. Minett (1992:3) considers bases of power as dependent on the social

pressures to legitimise decision-making and the firm's degree of functional dependence on the workforce. Minett (1992:4) writes,

"...Different firms are more or less vulnerable to these pressures...Thus, the different power distribution within firms are explained by the differential action of these forces".

Minett (1992) argues that the extent of pressure for legitimisation of decision-making in a firm is related to the political visibility and vulnerability of the firm which in turn are dependent on the relative size of the firm and its form of ownership. He believes that the functional dependency on the workforce is determined by the complexity/uncertainty of the work task and the market position of the firm. The shortcoming of this argument is its over-emphasis on product market to the relative neglect of labour market conditions from where unions derive their strength. Marchington (Purcell and Smith, 1979:141-149) holds that shopfloor control features are determined by technology, market and payment systems. Availability of information has also been a basis of power and managements often use their privileged access to it as a legitimacy for their decisions. Widespread communication of information as a means of empowerment of employees has been noted by Clark (1979).

Miner (Wilpert and Sorge, 1984:244) sees the cultural distance between trade union/industrial relations culture and national cultural pattern as a variable in power inequality. Based on his empirical study, Tannenbaum (see Tannenbaum et al., 1974) argues that formal systems of participation do have an effect on actual perceptions of relative power within a hierarchy. He further argues that as factors affecting the perceptions of relative power, organisational conditions are more important than the socialist or the capitalist context in which they are found- a rather dim view of actors' ability to see macro-micro nexus. Thurley (in Wilpert and Sorge, 1984:174) takes the view that in large bureaucratic organisations, there is going to be a big gap between the reality of

actual influence and the perceived influence and control- an issue relevant in a multi-national context. Surprisingly, in spite of increasing state intervention in industrial relations, very few consider it to be influencing actual shopfloor control.

This research considers that the reality and perception of power balance between the management and workers could change with direct intervention of government (or other national and supra-national bodies) in the participation arena. But managerial values of power and control and their strategies already take into account such possibility and hence, the nature of managerial action within the participation arena does not alter significantly with such intervention. This could partly explain any similarity of managerial action within the participation arena between the parent and subsidiary even in the absence of parental imposition of employee relations policy and despite variation in the degree of governmental intervention.

2.3.3. PARTICIPATION AND THE SHARING OF POWER AND CONTROL

Opinion and evidence are divided over the implications of sharing power and control and the impact of participation on the nature of power distribution within the organisation. Ramsay (1982) provides a perceptive analysis of various theoretical positions about power and their approach to participation. Clegg (1989:193) points out,

"Organisation means control. Such control is never total...Control can never be totally secured in part because of agency. It will be open to erosion and under cutting by the active embodied agency of those people who are its object- the labour power of the organisation".

Clegg (1989) argues that resistance should be regarded as a phenomenon in its own right which will be directly implied in power relations. From this perspective, resistance would be the "efficacious influence of those sub-ordinate to power" (Barbalett, 1985:542). Such an argument lends support to this research

considering union response as a factor shaping managerial action in the participation arena.

In a positive-sum interpretation, Tannenbaum (1974:78) writes,

"A reduction in managerial power may occur but it need not, and there is evidence to suggest, that participation may be a means through which managers increase their own control along with that of workers. Thus, contrary to stereotypes that assume participation to be a vaguely permissive or laissez-faire system, the participative organisation may be one in which the total amount of control is higher than in non-participative organisation".

In contrast, confirming Flander's (1967:32) earlier thesis of "share control to regain it" (taken to mean managerial manipulation of control perceptions), Flanders et al. (1968:183) found in John Lewis Partnership that the effect of industrial democracy on management was "paradoxically to reinforce its authority so that it is stronger and commands greater power than is usual, and often possible in the normally run private and public enterprise..". Similarly, Ramsay (1983a:206) writes,

"The view which I have adopted of control concentrates instead on the attempt by management to head off a challenge to their authority by making apparent concessions to a share in power by workers. Control, is thus, exercised chiefly at the level of ideological justification...".

The relational concept of power and control makes it a two-way process where the object of power is also seen as having some power (Minnett, 1992; Daudi, 1987; Giddens, 1984). Since power process (both its actual and potential use) is resistance prone, this research will argue that actual and anticipated union response to organisational objectives, policies and to managerial values about power and control too is a factor shaping managerial action in the participation arena.

Most analysts have treated power and control as somewhat universally specifiable in any organisation without difficulty and hence, its distribution is a matter of straightforward allocation between disparate groups along some acceptable criteria. However, power and control are subjective and need a context of meaning and reference

to operate. The debate of power to or power over is meaningless without this frame of reference. Such a frame is provided by the company business objectives, strategies and policies within whose context sense of power or powerlessness is experienced. Thus, any conceptualisation of participation as a struggle for power and control serves little empirical or theoretical purpose unless it is specifically analysed with reference to organisational objectives, policies and strategies.

2.3.4. CONTROL AND POWER

The foregone discussion has thrown light on the way authors have used power and control as synonymous, while others make a subtle distinction between the two. One view of control has been its objective manifestation in shape of specific acts. "...Taken at the face value, control is highly pejorative: its connotation in ordinary usage is the possession of authority, the utterance of commands or the operation of restrictions or sanctions to ensure compliance with those commands", writes Smith (Purcell and Smith, 1979:1). However, he (1979:4) goes on to clarify that control means the ability to promote one's own desired objectives or alternatively to resist undesirable ones- somewhat echoes Dahl's zero-sum analysis of power.

Marchington (Purcell and Smith, 1979:134) relates control to power and writes, "Control will be taken as the possible end result of a process which involves the usage of power: in other words power involves the process of achieving control". In a similar vein Ramsay (1986:53) distinguishes analytically by "seeing power as resource based which is only realised and exercised as control in a social relationship". Too much emphasis on relational aspects of control to the neglect of control of policies, technology etc. which have indirect but significant implications for social relationship could

create distortions in the articulation of conflicting interests.

Friedman (1977:6-7) writes about two kinds of organisational control- direct (technical) and responsible autonomy. Mechanisms of task-centred participation fit into the description of responsible autonomy. Edwards (1979) differentiates between simple, technical and bureaucratic control which in his analysis are presented in a rigid linear progression. Edwards (1979:160) sees industrial democracy as a growth out of bureaucratic control which transforms the firm to a kind of "social institution". But the choice of actual control form, according to Melin (1989:214) would depend on the strength of the union resistance. Thus, collective bargaining and other forms of participation are all seen as forms of control and Tannenbaum sees several control cycles. However, affirming the preponderance of management control arising out of employment relations, Clegg (1989:198) writes,

"All divisions of labour within any employing organisation are necessarily constituted within the context of various contract of employment. Hence the employment relationship, that of economic domination and subordination, is necessarily an organisational fundamental. It is the underlying sediment through which other organisational practices are stratified".

Smith (Purcell and Smith, 1979:5) concludes that "the precise balance of control is derived from the methods used to regulate employer-employee relations and the ways those methods facilitate or limit pluralist decision-making". However, Kern and Schuman (1984) have questioned the zero-sum conception of labour process as a locus of class struggle (see Clegg 1990:216). But Ramsay (1985:61) holds a contrasting view,

"Control is a relational concept, not a substance which lies outside a relationship ready to be seized in handfuls. To talk of a positive sum in which both sides can 'gain' is to engage in analytical legerdemain, slipping into functionalist usage which conceives control as being shared between actors over an external environment".

In view of such argument, it makes all the more sense to study power

and control distribution in the context of company business objectives, strategies and policies where such distribution is operationalised. Control and power for purposes of this research are taken as related but different concepts. Power, which as mentioned earlier, is taken both as resource-based and relationally, is seen as one means of achieving control. Control is an actual state and power is an enabling feeling. Control reinforces the sense of power. Resource bases of power can be shared without diminishing overall control. It is assumed here that managers or managements as far as possible try to protect both. But it will be argued that mostly managers do not distinguish between the two and hence, the visible aspects of power are vigorously defended against any encroachment.

2.3.5. POWER AND LEGITIMACY

The fact that the exercise of power could evoke a backlash from its subjects, necessitates that acceptance of such exercise is ensured through establishing its legitimacy. Weber (1968) wrote that every form of domination also necessitated a minimum of voluntary compliance on the part of subordinates which depends on their perceived interest in carrying out specific decisions or directions. The most obvious bases of such an interest could be economic, affectual or ideal in character. Weber (1968:213) went on to elaborate,

"Experience shows that in no instance does domination voluntarily limit itself to material, affectual or ideal motives for its continuance. In addition, every such system attempts to establish and to cultivate belief in its legitimacy".

Cressey et al. (1985:154) further write,

"...Translation of formal managerial prerogative into real managerial control, the transformation of the letter of the employment contract into the reality of efficient production, depends on management's securing of co-operation of the workforce and establishing the legitimacy of its control in their eyes".

As Child (1969:23) argues, "Management has both a legitimacy function and a technical function....The legitimacy function was

primarily linked to the securing of social recognition and approval of management authority and the way in which it was used".

Most managements try to gain this legitimacy through the extension of participation. When participation is extended over some subjects to the exclusion of others, employee participation in the former automatically legitimises the exclusive status of the latter. It allows retention of crucial subjects within exclusive management domain. As Fox (1974a:302) comments,

"Management legitimises the role of the union in certain areas of joint decision-making because it sees this role as conducive to its own interest as measured by stability, promotion of consent, bureaucratic regulations, effective communication or the handling of change.....it recognises that its discretion is being limited in certain areas of decision-making but it legitimises these limitations and therefore, does not counter with low trust behaviour and attitude".

Consent as a basis of legitimacy has been well analysed by Bendix (1963:251) who writes,

"In modern industry, the co-operation needed involves the spirit in which the subordinates exercise their judgement. Beyond what commands can effect and supervision can control, beyond what incentive can induce and penalties prevent, there exists an exercise of discretion important even in relatively menial jobs which managers of economic enterprises seek to enlist for achievement of managerial ends".

Minett (1992:97) too argues that legitimacy status has determining influence over the effectiveness of a particular form of power and makes a hierarchical list of legitimation status of various kinds of power which ranges from most positive to most negative. From management point of view, as Cressey et al. (1985:160) write,

"The real problem of industrial democracy, therefore is to find ways of shaping heterogeneous and incompatible aims into compatible and effective means with only such order and regulation as will be recognised as legitimate and necessary rather than experienced as oppressive and excessive".

Fox (1971:39-42) lists the following six as bases of legitimacy: a) the provision of material rewards. b) charismatic leadership c) the appeal to a unity of interest d) workforce appreciation of managerial expertise e) establishment of procedures for common

agreement f) the notions of property rights. Managements often rely on combinations of these bases to secure legitimacy as a single base could be fragile and transient. However, this legitimation process too has its limits (Cressey et al. 1985:170). The legitimacy of exclusion of decision-subjects also come under questioning at times. So managements tend to use ideological justifications for gaining further legitimacy and to limit participation.

2.4. IDEOLOGY AND PARTICIPATION

There are real limits to the extent of participation from management standpoint. While participation legitimises managerial power, too great an extension of participation could undermine this power. This is where the importance of managerial ideology comes into play as a rationale for limiting participation. Ideology as a legitimising agent for power and interest has been analysed in many studies (Clegg, 1975; Poole, 1975; Storey, 1976-77; Batstone et al., 1977). Lumley (1983) too looks upon ideology as a central resource in the struggle for power.

This research will examine how ideology is used in specific power struggles, how certain ideology is used towards the same ends in differing contexts and particularly how ideology substitutes for the exercise of naked power to suppress participation and, thereby, reinforces managerial power and control.

2.4.1. NATURE OF IDEOLOGY

Poole (1975) considers ideology a perceptual base of power. Bendix (1963:200) defines management ideologies as "all ideas which are espoused by or for those who exercise authority in economic enterprises and which seek to explain and justify that authority". He refers to ideologies as ideas considered in the context of group

action and sees such ideologies as expedient rationalisations of sectional material interests. Though ideologies can be world views that are consciously cultivated, most individual actors inherit it from their group membership. Thus, ideology can be understood primarily in class terms. As Cressey et al. (1985:137) write,

"Insofar as the ideologies represent attempts to legitimate power between management and workers, they point to the phenomenon of class relations. At the same time, the ideology may not be articulated in class terms and they may even deny the relevance of class relations, still insofar as they represent, express and justify the forms of domination, they point to the reality of class relations".

Fogarty (1972:71) is convinced that there are such things as managerial ideologies which will not necessarily be welcome to the employees' side. These, he believes, like ideologies of the unions, are above and beyond cool and rational calculation about the actual state of affairs. However, the latter part of Fogarty's view is not borne out considering the way managements use ideology to protect their power and interest.

Even though the primary basis of social stratification in India is caste, its implication in capitalist employment relationships are minimal and hence, has little impact on managerial ideology. It is more so in highly industrialised enclaves like Bombay. Unions in such environments are rarely caste based and caste is not a consideration for employment excepting in the public sector. Caste alignment may get benefits at an individual level, but in private manufacturing industry and that too in multi-nationals caste is not a factor in organisational processes. Caste may be a factor in some individual interaction and conflicts that may have some bearing on the organisation. Managers, irrespective of their caste origins, inculcate the managerial ideologies and capitalist values during their business school education and these are reinforced with the privileges of pay and perk when they join the private sector.

The Dunlopian distinction (1958) of systemic ideology and individual

actor ideology is important here. Systemic ideology is a consciously cultivated value system within an organisation usually created by a set of key actors or by the founders. Such an ideology may or may not be neutral (i.e. intrinsically not supportive either of the management or the workers). Dunlop, however, suggests the former. The sources of such ideology could be the socio-religious ideals of these key actors or their own judgements about the ends and means of the organisation. This ideology is not necessarily permanent and fixed but could undergo changes through addition, dilution and reinterpretation. It may be argued that systemic ideology (creation of few) on occasions could contradict general managerial ideology (inculcated as a part of the membership of capitalist mode of organisation and reinforced through business school training and sheer work experience) and be defeated by it. Systemic ideology may prefer more participation of employees (if the key actors see it as expedient in organisational interest) which runs counter to most managerial ideology (with its emphasis on managerial prerogatives and expertise).

This research argues that in cases of such conflict, individual manager's ideology tends to run closer to the managerial ideology unless special efforts through training, culture building etc. are made to bring it in line with systemic ideology. This may partly explain why many well intentioned participation attempts do not work in many organisations despite the support of key actors.

The sources of managerial ideology are diverse. Fox (1965) sees the scientific management and the Human Relations schools as two major sources of managerial ideology. However, Bendix (1963:281) has suggested that "the social philosophy rather than the techniques of scientific management became a part of the prevailing managerial ideology. Some managers still saw ownership or their excellence as the justification of their control and resented the intrusion of

scientific standards". Recently Smith and Meiksins (1991) too have projected Taylorism as an ideology.

Fox (1966:369) sees a functionalist selection process in ideology, "The ideas themselves undergo selection and modification. Unpalatable elements tend to be discarded; acceptable elements are made more so by being assimilated to the current folklore and cultural values to form part of managerial ideology". Once so accepted, Woodward sees a kind of inflexibility in it. She (1965:255) observes,

"Once an ideology has been established, the people concerned live it, with the result that they can no longer be analytical about it and become reluctant to accept that it can be analyzed...People living an ideology live and think and feel about it in terms and values which reflect but do not explain the forces that actually control their social behaviour. Its beliefs are not truths or untruths in any absolute sense".

It will be argued that at the subsidiary level the systemic ideology of the parent company is justified through reference to local needs and idioms. This research accepts some minimum belief and commitment to managerial ideologies on part of managers. But since ideology's use is mostly instrumental, it will be argued that though managerial ideologies do not change significantly over periods of time, their interpretation is not inflexible. In attempts to restrict participation, such ideology may be interpreted differently even to support contradictory stances and here the individual actor's value premises could be important. Ramsay (1982:85) rightly observes, "...an ideology does not have to be internally consistent in order to perform its functions". One, therefore, rarely finds the rejection of managerial ideology though there may be reservations (Goldthorpe, 1974; Hyman and Brough, 1975; Armstrong et al., 1984). Ramsay's research (1982) also indicates that some managers could deviate from normal managerial stances.

2.4.2. STRANDS OF MANAGERIAL IDEOLOGY

Two strands of ideology have been dominant in managerial action. Unitarism sees management and employee interests as one and the same and looks upon management as the only central legitimate authority within the firm. The second strand of ideology is the notion of management prerogative i.e. the exercise of power is legitimated in terms of superior knowledge and expertise which are essential for organisational efficiency.

In case of unitarism, "loyalty becomes equated with efficiency and given that there is only one source of legitimate authority, is clearly incompatible with the notion of challenging the authority" (Fox, 1966:367). Fox (1966:373) further writes,

"The propagation of the idea that the interests of the rulers and the ruled are identical helps to confer legitimacy on the regime. Their government is legitimate government, they can be cruel to be kind and yet remain free of guilt".

It is this ideology which facilitates integrative consultation and participation where various participative forums are used only for problem-solving and idea generation, beneficial to the superior interest of the "organisation". Thus, Tomlinson (1984) sees unitarism and shopfloor participation going together. Similarly, sub-contracting, use of temporary workers or wage freeze are justified in the name of long term interest of the organisation. This ideology even supports withholding of information from their own employees on the grounds of "commercial confidentiality" (see Cressey et al., 1985:169-70). This management ideology holds what Bendix calls a "team" or "family" image. Unitarism facilitates management support for non-conflictive forms of participation which Ramsay (1986:52) views as an "exercise in control" in itself.

Managerial prerogative holds that managerial expertise is indispensable to the working of the organisation. Miller and Form (1974:186) write,

"Top management is a highly self-conscious group whose ethnocentrism leads them to believe that they have special gifts or attributes not generally shared by the population. The greatest of these is the ability to organise and manage people".

However, this may be said to be true of managers of all levels though in different degrees. With the separation of ownership from control, the management jobs of co-ordination and control in the pursuit of growth and efficiency is maximised. In effect, in a subtle way, managerial power based on property ownership and employee subservience becomes replaced by or is believed to be replaced by, managerial authority based on technical knowledge. Empirical evidence from MacInnes (1985a:101) points to somewhat similar conclusion. Poole (1976:41) considers that managerial ideology defending management decision-making authority on the grounds of superior managerial expertise is unlikely to encourage participation. He concludes (1976:43) that the "main managerial ideology of the twentieth century has worked strongly against radical initiative in industrial democracy". Indeed, some consider shopfloor consultation to improve decisions as a negation of absolute managerial claims to expertise (Cressey et al. 1985:168).

However, it may be argued that the consultation in some areas and non-consultation in others is a legitimisation of the ideology of superior managerial expertise. In non-consulting workers for many years on certain subjects, they are made to believe that such subjects really require special expertise. This continues until someday such exclusion is specifically questioned or some serious misjudgement discredits claims to such expertise. Bachrach and Baratz (1962) refer to the exclusion of decision subjects as "mobilisation of bias" where power is exercised to restrain issues going onto the participation agenda. Thus, power is exercised in a situation to operationalise an ideology and the altered situation legitimises the ideology. This process can, as Marchington (1980:5) says, "take the form of aggressive assertion of managerial rights or

a defensive demonstration of the inability of the workers to contribute to effective decision-making". Gouldner (Armstrong et al. 1981:18) considers that the presence of formal rules, based on generalised management prerogative, both give managers an important authority with which to legitimise their action and conversely allow workers to accept managerial demands without committing themselves in a merely personal submission to the manager.

Based on the discussion about participation and ideology, it may be argued that ideology contains any demand for participation by increasing the sense of empowerment in the employees. Any use of ideology carries in itself an implicit appeal to the reason of employees. It helps to enhance their sense of empowerment for they no longer see their subordination as the personal domination of the management but as a result of their own decision to respect certain logic. Calculated use of ideology by the management in preference to naked power amounts to management recognition of employee power. Fox sees the expression of overwhelming managerial power in its capacity to manipulate ideas.

As in case of power, ideological exchanges between the workers and the management are seen to be played out at the societal level (see Fox, 1966). Commenting on its uses, Armstrong et al. (1981:40) write,

"The unproblematic exercise of management power is founded in an ideology which confirms its legitimacy...Management ideology serves to legitimise not only management power but to the ends to which it is characteristically directed".

Fox (1966:372) sees three purposes that ideology serves- as a method of self assurance, an instrument of persuasion and a legitimation of authority.

This research will focus on the usage of ideology in the last two areas mentioned above. It will argue that managements use ideology predominantly to persuade workers to accept and co-operate with

managerially set business objectives and strategies and they make tactical switches between unitarism and belief in superior expertise. Direct exercise of power takes place only when the ideological justifications fail to persuade the workers. How power and control orientation is combined and blended with ideological premises in different contexts is an interesting area to explore.

2.5. MANAGEMENT ORIENTATION TO PARTICIPATION

For managers, the sharing of any control or power has to be in tune with managerially defined business objectives, strategies and policies. No participation can work- contextual factors notwithstanding- unless these key actors see it as consistent with their definition of organisational interest which also includes their own interests. Clegg (1990:13) has conceptualised actors and agencies as self-conscious, informed and self-interest oriented. Minett (1992:54) writes

"Rather than being a passive reactor to external forces, the firm is an active initiator, selecting a greater or lesser range of feasible strategies delimited by its particular environmental constraints".

This initiative lies to some extent with managers at all levels within an organisation, though in varying degrees. This thesis argues that all managerial action within the participation arena is guided by the managerially defined objectives of business, its strategies and the various policies operationalising the strategies. These factors interacting with managerial values of power and control, ideologies and union responses give final shape to the structures, processes, purposes and dynamics within the participation arena.

This research acknowledges¹ that management is not always a coherent unified body, but consists of groups, coalitions and differing individuals. Cressey et al. (1985:138) rightly believe that a management philosophy or a course of action may be imposed from

above but the degrees to which managers lower down accept the ideas or the policy may vary. Hilgendorf and Irving (1976:493) write, "The successful functioning of the system depends...on the behaviour and attitudes of managers both in the way they manage and in the way they interact with the representatives". Thus, managers are crucial not just in running the structures of management but also the participation forums. It is important therefore, to study the actual actions of management, both as a group and as individual managers within the participation arena. In *Chapter 1*, the scarcity of research into management role in industrial relations in general and participation in particular has been noted. Storey (1983:1) has criticised both Marxist and non-Marxist analysts of industrial relations for overlooking managerial control of labour process. Fiedler and Winkler (Purcell and Smith, 1979:3) write,

"Those concerned with industrial relations have concentrated on the shopfloor not the executive officers, on unions, not management. In reporting on industrial relations as seen from the bottom-up, researchers have commonly described a world of constant negotiation, bargaining and conflict".

A review of literature reveals that management orientation towards participation has either been compulsion-based or voluntary. When compulsion-based, participation tends to be reactive, tentative, peripheral and minimal and continues to survive only as long as the compelling circumstances exist. Ramsay (1990, 1980) however, interpretes the effects of receding pressures on management in terms of "triviality" and "marginality" of forums rather than their complete disappearance. Ramsay's interpretation means the continuation of existing forums (albeit with reduced influence over decision-making process). However, a management could take advantage of reduced compulsion to completely overhaul the system. Such an overhaul may be targeted at undermining the personal power-base of the trade union elites. Ramsay (1985:75) of course, in another context affirms, "Management... can retain their capacity as gate keeper to close down an arrangement that gets out of hand".

These compulsions forcing managements to make concessions could either be political- like legislative intervention in industrial relations in many third world countries where the labour movement is not considered very articulate and organised- or it could be economic- like in times of high competition or slow growth or full employment (Ramsay 1977 and his subsequent writings; Brannen, 1976). Statutory mechanisms of participation are said to invariably degenerate into "triviality" or "instability" (Ramsay, 1977). A combination of economic and political compulsion lead to further ad hoc and reactive participation. As Ramsay (1977:485) writes,

"The main concerns underlying participation schemes were not philanthropic, but to combat labour organisations, improve productivity, overcome resistance to change. These needs, in turn, reflected a sapping of management's ability to enforce its will unquestioned. The cycles are tied into the conditions which make challenges to management authority periodic".

Child (1969:50) too writes, "Even before 1920, it was becoming obvious that some employers had dealt with the idea of shared control only as a device to buy time".

In a voluntary orientation, participation could arise out of the intrinsic faith of some of the key actors of the management or because of some altruistic motives. A voluntary orientation could also be instrumental. Ogden (1982:547) writes, "The purpose of participation is to secure more compliant and supportive responses from the employees to managerially defined goals and managerially defined purposes". Poole (1986a:47-48) observes,

"...The majority of practices are restricted to very low levels of decision-making... , they are largely confined to issues of an on-the-job character. Therefore, even if some may have had important effects in so far as industrial efficiency is concerned, it is doubtful whether they imply any significant erosion of management prerogatives".

It is conceded that the voluntary and instrumental orientation gives participation mechanism slightly better managerial commitment than does the compulsive orientation.

It may be argued that a voluntary orientation could be a pre-emptive

measure to avoid being forced into undesirable modes of participation through compulsion. The nature and extent of its use can vary in relation to the pressures on the management. Even a voluntary orientation of top management could mean compulsion for managers at other levels of the organisation, and consequently could generate resistance from them.

Ramsay (1985:59) observes, "The use of purportedly participative techniques may enhance profitability by integration, ... rather than intensification of labour". This he believes could result from the containment of manifest conflict. However, there is the unmistakable possibility of the participation mechanism itself becoming an arena for labour-management conflict and an issue in it.

The empirical evidence about management attitude to participation has been mixed. Brannen's study (1976) found that managers mostly resist participation on the grounds of hierarchy and efficiency. It was also found that the managers were less enthusiastic about workers' participation in the corporate issues. Though workers' participation in decision-making is bound to have an undermining effect on hierarchy, its adverse impact on efficiency is not yet an empirically established fact. Marchington's study found that participation is seen by managers as a reflection on their professionalism, expertise and capacity, and was held to be undermining their authority. Clarke et al. (1972:134) have argued that employers are in favour of consultation only, and oppose other forms of participation like the worker director. Ramsay (1982) has noted managerial resistance to expansion of participation in several issues.

This research accepts that the orientation of managements to participation could be either predominantly voluntary or compulsion-based or a combination of the two. It examines the orientation of

the managements to participation in the historical perspective of the organisation. This is important in understanding the management role. It will argue that each management initiative in the participation arena indicates a particular orientation and a fresh calculation. Management action based on a mixed orientation complicates the phenomenon. It is hoped that the differing contexts of parent and subsidiary company will help isolate the impact of managerial orientation on their action in the participation arena.

2.6. PARTICIPATION AND MULTI-NATIONAL ENTERPRISES

This research is also concerned with the question of the overall parent-subsidiary relationship in MNEs and its impact on the participation arena at the subsidiary level. In this analysis the country of origin of the multi-national will be referred to as the parent, home or source country and the countries in which the subsidiaries operate will be called the host country. Similarly, the corresponding managements will be referred to as parent or home management and host or subsidiary management.

The ILO considers multi-national enterprise to include enterprises of public, private or mixed ownership, which own or control production, distribution services or other facilities outside the country of their origin. Ramsay (1986a:1) defines it as "...which owns (in whole or part), controls and manages income-generating assets in more than one country". However, the route and mode of entry of multi-nationals into a country can be through trade, franchising, joint-venture, distribution or direct investment. This research is confined to privately-owned multi-nationals having direct investment in production facilities. Even though the research does not distinguish very much between various expressions like multi-national company (MNC), "trans-national" company (TNC), "international" company or "global" corporation; following

Liebhafberg (1980:9), it is deemed more appropriate to use multi-national enterprise (an economic organisation) than multi-national company as the economic activity of a multi-national is seldom confined to a single company (a legal entity).

2.6.1. CONCERNS ABOUT MULTI-NATIONALS

Employee participation, for several reasons, has been an important issue of discussion in relation to multi-national enterprises. The trade unions have been suspicious about the MNEs, their impact on industrial relations and job security, closed nature of decision-making and the imposition of alien work and employment practices. Ramsay (1986a:12) argues, "International operation does give a number of enormous added potential power advantages to management within the framework of labour-management relations". Surprisingly Wilpert et al. (1978:xii) argue that "if workers participate in the management of an MNC, such participation will necessarily mean a reduction in the supranational character of the MNC". But the significance of the employee participation at the subsidiary level is dependent on the autonomy of the subsidiary and the nature of parent management control over it. It would be argued that the issues and levels of participation in the subsidiary are directly connected with the issues of subsidiary autonomy and the parent management control.

An OECD report (1972:10) acknowledges that with the increase in size of the MNEs; chains of command and channels of information lengthen and the workers feel cut off from the centres and processes of decision-making. Blake (1973:225) points out,

"... trade unionists feel that corporate decision-making standards and powers regarding labour relations, production and investment policies are determined by a foreign headquarters which has little concern for the customs and problems of a particular subsidiary. The local subsidiary management is perceived as an essentially powerless puppet which dances to the tune of international Headquarters management".

Gennard and Steuer (1971:143) similarly observe,

"It is often suggested that the foreign-owned subsidiary is more productive and profitable than its domestic counter- part and that this superior performance is ..., partly due to the better labour utilisation. This implies that the foreign firms behave differently in the labour market, have different personnel policies and tend towards a different mode of industrial relations. If true, this could be a source of friction as well as innovation in industrial relations. And even with similar behaviour compared to the domestic firms, the MNC..... could alter the power relation between employer and the employee".

Ramsay and Haworth (1989:280) look upon multi-national management as "sentient, cohesive and rational to an extent which enables it to choose and pursue strategies to outguess and overpower any labour response in the long run". These kinds of observations and reservations enhance the importance of studying participation within the MNEs and particularly in the subsidiaries.

2.6.2. SUBSIDIARY AUTONOMY AND PARENTAL CONTROL

Autonomy and control are reciprocal concepts. Absolute autonomy or total control are empirical mirages. In a conventional sense, more autonomy implies less control and the vice versa. However, the relationship between autonomy and control in a multi-national context is not that straightforward. One finds pockets of control and pockets of autonomy and both can prove to be inconsequential on occasions. So the parent-subsidiary relationship has to be seen as mixtures of control and autonomy where one could find "controlled autonomy" and "auto-controls". In controlled autonomy, the subsidiary is allowed autonomy within clearly laid down parameters which are mutually understood and accepted. Auto-controls are perceived restrictions by the subsidiary management even within the areas of their natural discretion which put limits on their action. Ramsay and Haworth (1989:282) have noted the constraining effects of organisational traditions and structures in MNEs even on key actors within it. Full autonomy of the subsidiary is a romantic fantasy and absolute control is a cynical nightmare. The question of autonomy

and control has been well summarised by Otterbeck (1981:338),

"MNC managements do not sit down and decide on how much autonomy they shall grant their foreign subsidiaries. They decide on other things. These decisions and some other characteristics of the way day to day relationships are handled, together form a pattern which we may call autonomy. Therefore, we may see subsidiary autonomy as one reflection of certain yet not well defined country characteristics".

Parent company control is not a static and absolute concept. It has a dynamism of its own. Parent company control may be relaxed at times for specific purposes or to get over temporary problems at the subsidiary level. Some factors mediating the process of control are competition, geographical distance, attitudes and divided loyalties of the local management (Ramsay and Haworth, 1989); size of the subsidiary and the degree of uncertainty in the context (Warner and Peccei, 1978); policy of expansion and pattern of ownership (Roberts and May, 1974).

The parent company, for several reasons, may wish to retain control over the subsidiary management and this control could take various forms. The obvious economic motives of such controls apart, these could be motivated by a basic lack of faith in the local management or avoidance of trouble of any kind with the host country government or just to maintain a uniform global image. Singh (Otterbeck, 1981:18) sees the limits to local management initiative on basic management issues stemming from the complex and fairly detailed links between the parent and subsidiary. One aspect of this control system has been the reporting mechanism. Passchaert (Vandamme, 1986:192-93) writes,

"Frequent reporting of actual and projected performance is a widespread and exacting obligation on the foreign subsidiaries. The reporting commitments derive less from planning requirements than from control considerations. Modern computers and telecommunication facilitate such substantial reporting".

Egelhoff (1984:74) following Ouchi and Maguire (1975) talks of behaviour control and output control in MNEs. MNEs practice a significant amount of decision centralisation with regard to matters like technology and investment that have far reaching

implications on wage and employment (Bendiner 1987). In this context, Levinson (Liebhaberg, 1980:48-9) succinctly puts the need for participation,

"We are told that our organisation must arrange things so that the multi-national cake is as large as possible so that everybody can have bigger and bigger slices. And what if we do not like the cake? That is why we want to get into the kitchen".

It will be argued in this thesis that the control of the parent company over the strategic areas of decision-making restricts participation at more strategic levels within the subsidiary. Hence, within the subsidiary, such opportunities are much limited compared to those within the parent company. Warner and Peccei (1978:71) contend, "MNCs are likely to be more proactive than reactive as far as question of participation is concerned... as they are directly concerned not only with the authority in the subsidiary itself, but also the basic de facto sovereignty of the parent company". Employee participation being an integral part of employee relations, the autonomy of the subsidiary management in this area can be a variable determining the managerial action within the participation arena at the subsidiary level. However, scarcity of research regarding structure of decision-making about employee relations in multi-nationals has been noted by Warner and Peccei (1978:67). This research aims to make a contribution in this area.

2.6.3. EMPLOYEE RELATIONS IN MULTI-NATIONALS

Rostow has vigorously argued that only through the decentralisation of labour and employee relation policy can a company make optimal use of human resources in different labour- market environments. Such a decentralised policy could lead to what Perlmutter (1965) calls the "polycentric" orientation. Research findings widely hold personnel and industrial relations functions to be the most decentralised functions of the MNEs (Gennard and Steuer, 1971;

Blake, 1973; Roberts and May, 1974; Bomers and Peterson, 1977; Garnier et al., 1978; Hedlund, 1981).

Roberts and May (1974) suggest that British multi-nationals decentralise industrial relations functions more than American ones, and confine their dealing with the subsidiaries in these matters to "advice and guidance". But the effect of auto-controls (discussed earlier) may prompt the subsidiary management to take such advice as a directive. Warner and Peccei (1978) even suggest that the British multi-nationals encourage their units to build participation schemes into their business plans. But contrary research evidence holds that "an ideology of decentralisation was masking a reality of centralisation" (Brooke and Remmers, 1978:68). More recent research of Purcell et al. (1987) suggests rather tight control even in the area of employee relation and human resource management. Howell (1992) notes that in certain environments, if the multi-nationals decentralise, they get forced into conforming to the local environment. Ramsay and Haworth (1989:291) pointedly write,

"Sophisticated managements may decentralise particular functions even within global structures and one good candidate for this is personnel and management of human resources. Such devolution may be more a matter of image than reality".

The research findings of Buckley and Enderwick (1985:58) suggest that

"foreign-owned firms have a clear definition of those aspects of workplace relations which they deem to be under unilateral management control and not open for negotiation. The nature of these aspects, deemed managerial prerogatives, is revealing. They encompass crucial areas of labour utilisation".

They further write (1985:84),

"Overall, our data does not indicate any significant tendency for foreign-owned firms to avoid the use of joint consultation forums nor to withhold information. However, they do appear reluctant to increase employee participation and ownership. In response to pressure for increased employee involvement foreign affiliate management respond by increasing personal contact or the diffusion of information".

Information, as noted in an earlier section on power, is seen and used as a main basis of managerial power. Within a multi-national

enterprise, much information about many key aspects of the organisation lie with the parent management, so its availability to workers at the subsidiary level is rare and restricted. The subsidiary management has the tremendous advantage in this case, either to deny possession of particular information of interest to the employees, or to give out some information which cannot be verified in any meaningful way (Ramsay and Haworth, 1989). Fayerweather (1982) identifies a number of types of "communication gaps" for such organisations which are created by distance, culture, national frontiers and the like.

The record of MNEs in employee participation at the subsidiary level has not been notable. The resistance of an American multi-national to the introduction of profit sharing by its subsidiary in France (Otterbeck, 1981:116) could be taken as a case in the point. Added to this, Storey (1983) sees the foreign-owned firms at the forefront in reasserting managerial rights. As Brooke (Crouch and Heller, 1983:316) writes,

"Numerous multi-nationals are feeling their way to greater participation in their home countries... A number of proposals have been made to expand such schemes across frontier but few, if any, have materialised. There are, on the contrary, some well known instances of companies with participative procedures at home and a highly authoritarian relation with their subsidiaries abroad.. Where this exists, there can be little participation within the affiliate because the local management has too little discretion to enable serious bargaining to take place".

Thus, the company policy and values become important in this regard.

2.6.4. ROLE OF POLICIES AND VALUES

The entire question of control and autonomy within the multi-national in a way hinges on company policy and values. The ILO argues (1976:76),

"It is hardly conceivable that a certain company spirit, more or less unwritten rules of behaviour and generally accepted standards within a company should not affect managerial decision-making in labour relation and personnel policy regardless of where a subsidiary of a multi-national is located

or without necessarily being reflected directly in the lines of command".

Earlier Barlow (1953:100) too said that control intensity depends on management philosophy. The likely influence of source-nation values in labour relations has been emphasized by Trevor (1983), Negandhi and Baliga (1981). The Japanese multi-nationals have been in the forefront of the source-nation value and policy transfer (Fukuda, 1988; Kamata, 1982). Such attempts by American multi-nationals has been noted by Warner et al. (1973). But the logistical problems of enforcing parent company policies and plans have been discussed by Otterbeck (1981) and Ramsay and Haworth (1989).

Impressionistic evidence of Thomas (Management Today, 1969:60-63) and confirmatory evidence from Heller (Jamieson, 1980:226) show that American managers in Britain (i.e. British nationals working as managers in American companies in Britain) have more faith in the ability of their subordinates and are more prepared to allow them to participate in decision-making than their counter parts in British companies. This finding reflects the importance of the organisational approach over contextual factors for the process of employee participation. Thus, Perlmutter's distinction of multi-national approaches being ethnocentric, geocentric or polycentric could be a variable in determining the extent of employee participation at the subsidiary level. It would be meaningful to study why and under what circumstances home-nation values are more or less rigidly enforced at the host level.

Schaupp (1978), in his study of participation in several countries in a particular MNE, assumed management philosophy and commitment to participation to be constant. But the actual operation of this philosophy and commitment needs to be studied particularly when the industrial relations activity is projected as a decentralised function. Warner and Peccei (1978:71) found evidence of socialization mechanism through training at headquarters of senior

personnel by which even the policy on participation was co-ordinated. The stated policy of the home management could be to encourage participation at the subsidiary level (which may be based on compulsions in the host country) but its other policies may not facilitate it.

It will be argued in this thesis that differences in opportunity for participation between the parent and subsidiary arises not because of the decentralisation of industrial relations but because of the control relationship between the two. The so-called decentralisation, it will be argued, is meant to avoid extending the similar opportunities and facilities to the workers at the subsidiary level which are enjoyed in the parent company. Such decentralisation insulates the parent management from demands for a share of global profit from the subsidiary workers. Moreover, the so-called decentralisation increases the total amount of control within the organisation. The labour process at the subsidiary level is subjected to direct control by the local management. The parent management co-ordinates the local management's activities through other direct and indirect controls in different areas of organisational working. As a result, the local management is effectively insulated from pressures of the subsidiary employees as the former can plead its controlled relations with the parent management in several key areas of decision-making. It may finally be argued that "decentralisation" and "autonomy" are ideologies and are not a set of definite and observable practices. These ideologies are used by the multinational parent to increase total control at the subsidiary level and within the organisation. This ability of multinational management has been noted by Ramsay and Haworth (1989:285),

"In general, it must be said that management appear to have retained a stout ability to rely on fads, warmly nurtured pet theories and in short, on ideologies and prejudices in their pursuit of organisational nirvana".

2.7. CROSS-NATIONAL COMPARATIVE RESEARCH

The present study being a comparative cross-national research, discussion of few issues and debates about the nature, purpose and problems of cross-national comparative research are called for. Blum (1981) and Ahiauzu (1982) have both emphasized the role of culture in comparative studies. Even though this study acknowledges the impact of culture as a contextual variable, it is not a cross-cultural study. Since a country of India's size and diversity does not represent one specific cultural mode, it is appropriate to consider this study as a cross-national study only. Even though the study has been carried out only in Bombay, national institutions and factors have been considered in this research. Moreover, the representative character of Bombay has been discussed in *Chapter 4*.

Commenting on the urgent need for comparative research, Oyen (1990:2) writes,

"The need for more precise, reliable comparison has become a part of a political and economic reality which is driving force behind the demand for more cross-national comparisons, most of which apply to specific problems and are fairly limited in scope".

A number of reasons have been put forward to account for the recent surge in comparative research. These include globalisation of capital, increasing political integration amongst nations, breakdown of nations into smaller units, global economic inter-dependence, apparent triumph of capitalism over other forms of economic organisation, the phenomenon of "guest workers", rise of new economic super-powers, new found openness within the erstwhile second world and vastly improved international transport and communication (see Oyen, 1990; Thompson et al., 1992).

Comparative industrial relations as an area of cross-national research too has been a subject of interest. Sturmfels (1958:77) defines comparative industrial relations as "the research dealing

with the same (or similar) or related phenomena in differing countries" which in the present case is management action within the participation arena. The value of comparative research for learning across societies and the change of policy has been noted by Banks (1974), Bamber and Lansbury (1987). However, Kahn Freund (1974) is sceptical about the transplant of labour relations rules of collective nature. Strauss (quoted in Poole, 1986:iv) argues that industrial relations (I.R.), if it is to be an independent discipline, must have a clear theoretical base and a theory cannot be much if it explains behaviour in merely a single country. The role of historical contingency (Hyman, 1982), nationalist movement (Dunlop, 1958), culture (Ahiauzu, 1982; Blum, 1981) and political development (IDE study 1981) have all been stressed in comparative studies in I.R.

Wilpert et al. (1978) locate the need for studying workers' participation in different countries in the "spread of democratic ideas to many countries before the spread of the economic conditions generally shaping them". Pipkorn (Wilpert et al., 1978:135) says, "A purely national approach to employee participation also finds inherent limits in the structure of multi-national company". But the operating basis of multi-nationals being within the nation states, one has to locate the study within a national framework because such a study cannot be carried out in a hypothetical level branded "multi-national".

In spite of surge in interest, many areas of cross-national research are hotly debated and have remained controversial. These include its focus, approach, the importance to be given to culture and the adequacy of various frameworks. The problem of contextualisation (Marchington, 1987), the role of culture (Sorge and Warner, 1986 and Clegg, 1990) have all been points of dispute within comparative industrial relations as within comparative study in general. Clegg

(1990:1) has commented upon the weakness of trans-Atlantic comparative case studies,

"...Organisation studies in the past, to their detriment, have drawn on both a range of materials and theoretical approaches which have been too restricted. Consequently, they have failed to reflect the complexity of the organisational world outside the limited range of empirical examples considered. Upon such a small slice of available reality, some fairly large assumptions have been made".

This research is an acknowledgement of the need to expand the horizons of comparison.

2.7.1. PERSPECTIVES ON CROSS-NATIONAL RESEARCH

Lane (1989) has classified perspectives on cross-national research as those which emphasise similarity, regularity and uniformity of patterns and those which highlight the specificity and uniqueness of cultural and national diversities. Child (1979) pioneered the shift from the contingency perspective to more culturalist and particularist explanations through his distinction between "culturalist" and "non-culturalist" approach which was later developed and advanced by others.

The convergence thesis, as the first approach is called, propagated the possibility of all industrial societies converging or looking alike in their work organisation through the inevitable and unstoppable march of the "logic of industrialism". This technological determinism advocated by Clark Kerr et al. (1960) and others considered cultural differences inconsequential for the nature of work organisation. The convergence thesis was replaced by equally non-culturalist contingency theory (Chandler, 1962; Blauner, 1964; Woodward, 1965; Lawrence and Lorsch, 1967; Hickson et al., 1979 and Marsh and Mannari, 1981) who assumed contingencies like product market, task environment, size of the firm and its structure and technology as culture-free and crucial influences on the organisation. The inability of this framework to explain significant

national differences in spite of industrialisation and similarity of contingencies brought about the growth of more culture related interpretations. The study of similarity through comparative research has persisted but the explanations have changed. Sztompka (1988:215) commented, "Comparative research may have to shift its focus from seeking uniformity among variety to studying the preservation of enclaves of uniqueness among growing homogeneity and uniformity".

Child's radical contribution to the contingency theory came with the suggestion that "culture could itself be regarded theoretically as another contingency" (1979:79). Child (1979) has noted that organisation forms and technologies in different countries might be becoming more alike but, at the same time, the behaviour patterns of people within the organisation retain their cultural identity. The societal effects theory found its best exponent in the works of the Aix Group (Maurice, Sorge and Warner:1980) and later in works of Sorge and Warner (1986) who located institutional logics in societal processes like education, training, labour market, industrial relations structure. Sorge and Warner (1986:8) write,

"Having tried to explain national differences in institutions of industrial democracy by different political circumstances at crucial points in history, which thus made for diversity despite the similarity of contingency related industrial structures (Nagel and Sorge 1977, Sorge 1976), one of us proposed to explain national differences in organisation structures by incorporating education and training factors as one set among other contingency variables".

Some attribute the success of societal effect theory in the 80s more to the glaring deficiencies of convergence theory than to its own merits (Thompson et al. 1992:2). Cultural analysis of economic life has had a resurgence in the work of Berger (1987). Even though recently Sorge (1991:184) has tried to integrate both culturalist and contingency approaches and Maurice (1990) admits overstatement of coherence of social institutions, many criticisms of the societal effects theory still persist. Criticising culturalist interpretation with reference to Poole's work, Ramsay (1983b:263) writes,

"I do not believe there is much incite in comparative analyses which conclude there is a primacy of 'cultural' variables over 'economic' ones, partly because it seems a weak inversion of the base-superstructure model and also because the work which is praised for revealing this is fixated on an evolutionary convergence account".

In particular, Rose (1985:80) and Smith and Meiksins (1991:19) have pointed out the problem of learning between societies as an unresolved dilemma within the "societal effects" school. The methodological contribution of the societal effects school has been the method of paired comparison which has partly been followed in this research.

The methodology in this present research has not taken up as tight a matching as the Aix Group but some matching was necessary which has been explained in *Chapter 3*. In any case, as even Sorge and Warner (1986:49) say, "Perfect matching, however, is necessarily a marginal case since it is not possible to find factories that are mirror images of each other". The present research does not come from an institutionalist perspective which is too limited for cross-national comparison as analysed by Lane (1987, 89), Smith and Meiksins (1991) and Thompson et al.(1992) but views the institutions of participation in their historical context.

While acknowledging the merits of British institutionalism over non-cultural and pure cultural interpretations, Smith and Meiksins (1991:24-33) have criticised institutionalist accounts as ahistorical, inadequate explanation for learning between societies, incapable of conceptualising global capitalism and international division of labour and social action. They conclude (1991:33),

"The fundamental problem with the institutionalist approach to cross-national organisational analysis is explaining change. Tension between national and international change cannot be accommodated within a framework that is primarily tied to the nation state. What is required is a more flexible approach, which seeks to maintain, not integrate or deny, the inevitable contradictions between universalising and particularising dynamics within capitalist society".

This research hopes to partly deal with the problem of particular

and universal linkage by locating the study within the context of multi-national enterprises.

2.7.2. NEW PERSPECTIVES ON CROSS-NATIONAL RESEARCH

Both convergence and the institutionalist perspectives are in themselves inadequate in explaining cross-national phenomena. The need for broader perspectives or a multi-perspective approach (in spite of its eclectic disposition) is being increasingly felt as the frames of comparison become more unstable and complex. Tayeb (1991:45) has advocated a multi-perspective in furtherance of Child and Tayeb's (1983) earlier analysis though, she has not specified how such a perspective is to be developed or used and what could be its methodological pit-falls. It is possibly easier to advocate one than to work out its finer details. Thompson et al. (1992:7) also highlight the need for a new model that "allows for a dialectic of convergence and divergence".

The problem is acknowledged also by the institutionalists. Sorge and Warner (1986:4) write,

"We believe that an analysis of work organisations should be related to what makes them special, as much as to their comparable traits....It is easy for a social scientist to offer sweeping generalisations which appear to have a prima facie validity, but more difficult to interpret the reciprocal interaction of the universalisms and particularisms even in a single national environment".

Smith and Meiksins (1991) have offered an alternative model that they hold, solves the problems of partial perspectives noted above and is capable of studying the universal and particular linkage and the phenomenon of diffusion of ideal types and best practices like Taylorism, Fordism, TQM (Total Quality Management), flexible specialisation etc. (1991:5). This model explains influences on work organisation in capitalist firms in an international context through what its authors call system effect, society effect and dominance effect. The system effect refers to the basic capitalistic criteria

within which every organisation exercises its choices for organising production. The societal effect refer to the distinctive historical and institutional processes through which the economic organisation in a society has evolved. The dominance effect, as referred to earlier, is the distinctive ways of organising work in the successful economies of the world.

In a way, it may be said that Smith and Meiksins have used all variables that were the strong points of either convergence theorists or the institutionalists and that has been rightly criticised by Thompson et al. (1992:7-8). Their criticism, however, falls apart when they espouse their model with far more variables than Smith and Meiksins. A broader framework for analysis is one that is capable of encapsulating a broader reality and not necessarily one that identifies too many variables on the face of it. Thompson et al. seem to have gone along the second path.

One could empathise with Smith and Meiksins as their attempt to construct a new framework was in essence opening battle fronts against two long standing traditions in comparative research. They themselves are conscious about the model's affinity to institutionalist analysis (1991:45). Moreover, they are justified in relying on broader categories for that is what was proving problematic in earlier traditions of comparative research. The conclusion of this model is significant,

"By empirically researching cross-national differences, it may be necessary to prioritise the order of influence of these three determinations differently across particular societies. Certainly the balance between them will vary and can only be indicated through historical and cross-national empirical research and not a priori" (1991:6).

However, the Smith and Meiksins model's problems are with their new category, the dominance effect. The model seems to imply that the learner societies adopt the best practice or the dominant practice for sake of the quantifiable economic advantages that it gives. But

very often the best practices are adopted even in spite of informed opinion in those societies about its inoperability or inapplicability for the learning society. The explanation in such cases has to be looked for elsewhere and not in the productive benefits of such practices.

It may be argued that the dominant practices arise since these prove to be an acceptable rationale for bringing about changes within the organisation. The failure of best practices such as quality circles in many societies like India is attributed to the lack of commitment on the part of the elite. It shows that managements are often not convinced about their productive potential. Thus, the use and purpose of adoption of best practices can themselves be different in different societies.

The model somehow seems to believe that the learning of the dominant practice is a must for all societies. If it does not believe so, then it would accept the possibility of there being societies untouched by dominant practices or segments and enclaves within societies unconcerned about dominant practice due to protected market and business environments. The utility of this model may be questioned in such circumstances. Possibly what is implicit in the model is certain degrees of capitalist development within societies to be compared. Further, the model does not consider the possibility of non-learning or divergent acceptance of best practice between the parent and subsidiary of a MNE. Distortions in system and societal effect could also appear due to each conditioning the other making it difficult to disentangle the two.

However, the need for broader framework is acknowledged by this research and it is felt that an acceptable broader framework may ultimately emerge through more empirical cross-national research. The present research aims to make some contribution in this area.

SUMMARY REMARKS

This chapter has examined the existing literature on themes that are relevant for this research. It was found that there is conceptual confusion and conflict as regards the meaning and dimensions of participation. In view of the comparative focus of this research, it is deemed appropriate to take a broad and all inclusive approach to participation. Participaton as an issue of power and control is accepted but the former two concepts are taken as related but different. Management orientation to participation could be voluntary or compulsion-based, and such orientation could affect managerial actions. Ideology as a resource in the struggle of power and control is acknowledged but its exercise in specific cases needs to be investigated. The issue of participation is important in a multi-national enterprise, and the personnel function in such enterprises is claimed to be the most decentralised. However, why this is so needs to be explained.

Having examined the various aspects of the relevant literature, the explanatory framework of this research and its methodology will be discussed in the next chapter.

CHAPTER 3 EXPLANATORY MODEL AND METHODOLOGY

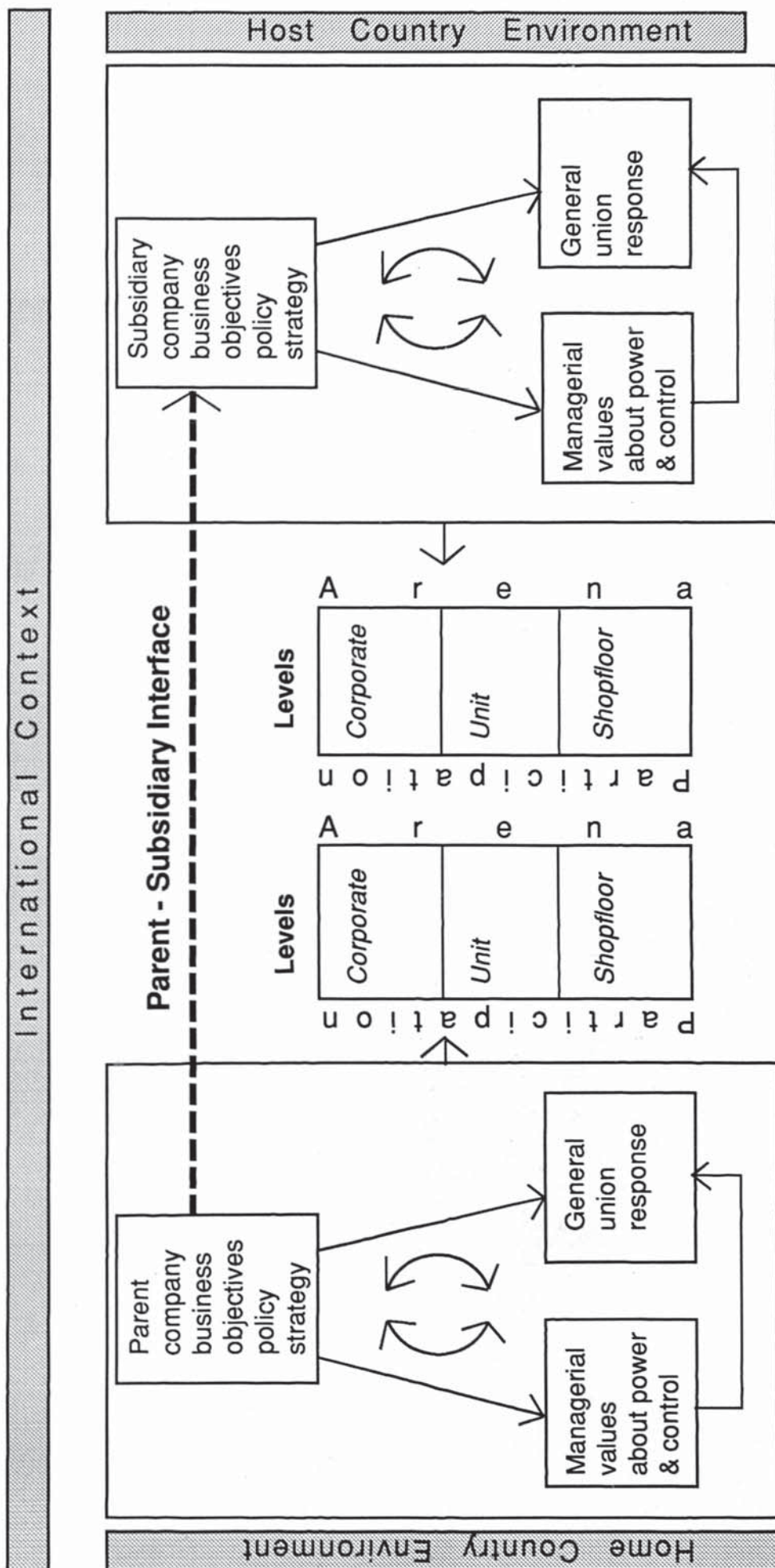
INTRODUCTION

This chapter discusses the explanatory model adopted for the present study and describes the methodology followed in carrying out the research. It explains the various concepts used in the explanatory model and the assumptions implicit in it. The chapter also considers some theoretical and practical issues of comparative research, deliberates over various methodological options considered by the researcher and argues in support of the methodology finally adopted. The chapter then enumerates the various selection criteria used to identify the participating companies, how research access was obtained, the tools of data collection used, the choice of the sample of interviewees and the experiences during the fieldwork.

3.1. THE EXPLANATORY MODEL

The explanatory model developed to conceptualise this research is informed by the literature reviewed in the previous chapter. The next page contains a schematic representation of this explanatory model. The theoretical foundation of this model is rooted in the following ideas. Conflict is fundamental to the capitalist social relationship. This is manifested in a struggle for power and control; and participation is one manifestation of it. Power and control are related but different concepts and are to be understood both relationally and founded on strategic control of resources. Exercise of power and control besides being direct and manifest involve use of various means of legitimation, most notably ideology. Attempts to legitimise power and control are an acknowledgement of the countervailing power of the workers. The organisational power play is related to structural aspects of the wider social

Figure 1
The Explanatory Model



relationship and more specifically to the company business objectives, strategies and policies. The parent-subsidary relationship is taken as a control relationship where the control could take various forms. Even in control relationships, the possibility of some discretion is accepted.

The concept of a Participation Arena is conceived which is seen as consisting of the structures and processes (along with their purposes and dynamics) through which the management and the employees (and/or their representatives) interact to control organisational issues that interest them. This arena is taken as a reflection of the decision-making structure of the organisation and hence, is seen as having three broad levels viz. the corporate level, the unit level and the shopfloor level. The corporate level is assumed to involve senior players from both sides and deals with matters that are of vital interest to the parties and the organisation as a whole. The unit level is the factory level where the players and the issues are mixed in terms of their importance. At the shopfloor level, the issues are more limited in their impact and so are the actors.

It is acknowledged that there can be direct intervention in the structure or process of the participation arena from the national or international legal and political context in the shape of national legislation or international guidelines from agencies like EC, UN or OECD etc. The indirect impact of context through prevalent international best practices (e.g. TQM or QCs) and that of the socio-economic structure of the society on this arena is accepted. But the internalisation and operationalisation of these influences takes place through the actors who can exercise a degree of discretion.

The main argument in the model is that the role of the management

(i.e. the managerial action) in the participation arena is shaped by the interaction between company business objectives, strategies and policies; the managerial values of power and control; and the general response of workers through their unions. It is argued that though these factors are generally operative, the way they coalesce and the extent to which they affect the managerial role could vary depending upon the context and the circumstance. The individual impact of these variables, it is argued, could also vary within different levels of the participation arena.

The second argument in the context of multi-national capital is that the decentralisation of industrial relation function in multi-national enterprise is based on the calculation of it as a more effective way of maintaining and increasing control over labour at the subsidiary level. This calculation is founded on parent management experience that the same three factors operate to shape subsidiary management role in the participation arena. The parent control over the subsidiary is envisaged only at the level of objectives, strategies and policies by the model. It is accepted that the intensity and precise nature of this control could vary.

In this model, company objectives refer to all those publicly declared mission statements, business targets or other commercial goals that a company (through its active agency- the management) sets for itself from time to time for survival and continued success in business. Some objectives can be unannounced or publicly denied for various reasons, though may be privately admitted by managers and understood by the workers. Company strategies include those broad action patterns, approaches or measures adopted by the company to realise its goals. Expansion, diversification, merger, take-over, niche marketing are examples of such strategies. Company policies are the written or commonly understood positions of a company about various business and organisational practices and the way these are

carried out. The company objectives, strategies and policies are assumed to be largely coherent though there may be pockets of inconsistencies. These are taken to have been consciously formulated taking into account contextual pressures and exigencies.

Managerial values of power and control are interpreted in terms of the subjects over which such control is sought and the kinds of resource-bases that are defended against encroachment. Ideological exercises too are taken into account in this analysis. General union response includes both the visible and more discreet aspects of union action as a counter strategy to management moves. The arrows in the schematic representation point to general direction of influence and are not meant to be deterministic. The interface of the two arrows in the middle signify the considerable cross-currents between the three factors.

3.2. ISSUES IN COMPARATIVE RESEARCH

The decision to work on a comparative case study opened up a series of questions and issues regarding the methodology itself and the finer nuances of executing it with scientific precision within a necessarily restricted time-frame. A comparative study to be methodologically justifiable and valid, needs explicit statement about the levels of analysis, the focal issues and the tools of data collection. Brewster and Tyson (1991:5-7) identify five theoretical issues in comparative research namely i) Choice of levels of analysis i.e. whether to study a simple phenomenon in great detail and depth or to study a complex phenomenon with lesser concern for contextual diversity; ii) Choice of the subject matter in terms of their contemporary relevance to the societies under analysis and whether to rely on "soft" or "hard data" (in terms of amenability to statistical interpretation); iii) Whether to compare similar or dissimilar countries and which ones; iv) The role the researcher

defines for himself in terms of his own expertise, intellectual style and cultural values and finally, v) the rapid changes taking place in societies and the impact these have on the research problem and other connected issues.

The way a researcher defines the problem of his study significantly reduces the apparent complexity of a social reality and, indeed, that is one of the objectives of defining a research problem. In the current case, the researcher has limited the scope of the study by confining it to multi-national companies. Why the researcher chose this subject and its relevance to the societies under analysis have been discussed in *Chapter 1*. Choice of data is always governed by the subject matter under consideration, the availability of data and its accessibility. The subject of this research is more amenable to analysis through soft data and whatever so called hard data can be obtained, would only prove peripheral and marginal for the study. A case study as a method in itself does not levitate towards either soft or hard data; it is the subject matter, the intellectual tradition in the discipline and the intellectual preference of the researcher that make a case study go more for one than the other. In a case study, a phenomenon is analysed in its life context with focus on various interactions. Such an analysis is more effectively achieved through qualitative data highlighting nature of relationships between factors.

The choice of countries in this research has already been explained in *Chapter 1*. The researcher, during the research, was acutely aware of his cultural and intellectual tradition being different from that of his host society and its possible repercussions on his research and its objectivity. The researcher also had to keep track of the dynamics of events pertaining to the nature and possibility of employee participation both in India and the U.K. in the wake of Maastricht summit in Europe and the fall of National Front

government in India which was a staunch advocate of employee participation. Thus, the researcher had taken into account many of the concerns about comparative research even before those were so clearly articulated by Brewster and Tyson (1991).

3.3. CROSS-NATIONAL RESEARCH STRATEGY

Scientific enquiry encompasses two broad varieties of work viz. a) nomothetic i.e. studies that aim at establishing law-like relationships between variables or finding generalisable truths applicable to a range of similar situations, b) the idiographic i.e. the research trying to discern particularities or those that are unique in their characteristics (Galtung, 1967; Nagel, 1961). Following Galtung (1967) and Lammers (1978), Child and Tayeb (1983) have examined the possibility of applying both to cross-national research.

Though it is not impossible to establish law-like relationships through cross-national research (and Child And Tayeb have examined three research designs for the purpose), trying to do it through limited number of case studies is certainly far fetched. Case studies are most appropriate for idiographic research in finding out the unique in a maze of commonality, and the particular in world of generalities. A case study looks at a situation or phenomenon in its life context so that it can be analysed in relation to other factors and forces. Cressey et al. (1985:125) write, "What case studies can do is to provide a more detailed account of particular processes and permit us to consider their significance in the context of the debates about industrial democracy and participation". Such being the nature of case study, it can help better understanding of relationships as a clue to appreciating management action in the participation arena. A survey method could get more and diversified data about management actions, but these cannot explain the

underlying causes and circumstances. Since this study is concerned more with understanding and explaining management action, a case study method seemed more suitable. Thurley (in Wilpert and Sorge, 1984:171-181) too has pointed out the inappropriateness of the survey and the questionnaire method for studying industrial democracy. Ramsay's (1990) support of the case study method for researching participation has been noted in *Chapter 1*.

Dunlop's formulation of industrial relation system theory (considered more as a research tool than an empirical phenomenon by writers like Blain, Gennard and Liebhaberg) can provide an effective framework for comparative study of industrial relation as its concepts are broad, generic and categorical. However, its applicability for explaining transnational entities has been questioned by Bomers, Fatchett and Wittingham (1976-77) as this model uses "the nation state as its ultimate point of reference". In spite of all criticisms of Dunlop, this research finds his concepts of "actors" and "inter-actions" quite useful.

Brewster and Tyson (1991:5) write,

"The focus in cross-national research is only incidentally on nation states.... The employing organisation provides the main material of study. The concern to locate such organisations and related issues, in the nation in which they operate is seen as a means of challenging assumptions and drawing lessons which are not nationally determined, rather than as a means of illuminating national differences. That they may also perform a latter function is a bonus, not a purpose."

The above argument undermines the essential focus of cross-national research and can be criticised as being too narrow in its perspective and purpose. The researchable material obtained from employing organisations across countries can as meaningfully be obtained from organisations in any one country. The beauty and rationale of a cross-national research is the "different-nation perspective"- the variety and range of perspectives that other nations bring into the research process. It is rather self-defeating

to consider the nation-state as peripheral to such research, since acontextual research amounts to seeing social phenomena operating in a vacuum. This is, however, not to argue that national differences have to be taken as explanations (either total or partial) for any noticeable variations or unexplainable aspects of phenomena under comparison. There can be non-nationally specific causal factors. Anyone denying this would be committing the same fallacy as Brewster and Tyson, albeit at a different end. The continuing problem of general-particular linkage demands that attention be paid to nationally specific aspects.

Balance in one's reliance on explanations, openness about them and balanced consideration of various ideological and theoretical perspectives informing the field of research are key to avoiding being too narrow, one-sided or prejudiced. This has its own problems and a researcher attempting to do this may be accused of being too eclectic- a "catch all" researcher not having a stance of his own. But ideological dogmatism leading either to "research frigidity" or "fanatical research" cannot be called as "having a perspective" either. It may lead to kind of comparative research which Roberts (1970) likened to forming an opinion about the shape of an elephant by studying its limbs separately. Child and Tayeb (1983:63) very succinctly put this need for balance:

"Three major theoretical perspectives currently inform the cross- national study of organisations. Progress in assessing their collective contribution has been held back by a tendency for research in one perspective to devalue or ignore the considerations contained within the other perspectives..... Rather than concentrating on or claiming primacy for one theoretical perspective, consideration of all three perspectives is warranted. The cultural, contingency and political economy variables they identify are inter-active, although at the same time it may be possible to identify some particular influences emanating from each other."

Brewster and Tyson (1991:5) write, "The researchers who focus on the content of management tend to find similarities (convergence), researchers who focus on process tend to identify cultural

variations." It is contentious whether organisational life can mechanistically be divided for research purposes into identifiable, separate compartments called "content and process" for content gives the arena and the means for process to operate and the latter gives the former life, the dynamic and the meaning for its existence. The two together, seen as parts of a complete whole severally and multiply interacting with each other, give a more complete understanding of reality. That is what the case study facilitates and more so in the context of cross-national comparison.

3.4. THE DESIGN OF THE STUDY

The present study is designed as a comparative case study of two British multi-nationals- Cadbury Ltd and ICI Plc. Even though there are quite a few British multi-nationals operating in India, the researcher chose to confine his study to two companies only and to matched pairs of their factories in order to facilitate in-depth analysis and to limit the variables involved. The wide ranging theoretical formulation of the research necessitated a limited empirical field to keep it manageable and meaningful. A manageable smaller study helps to focus attention and reduces what Shalev (1980:40) calls "the danger of lapsing into either vacuous description or superficial comparison." Walker (1967) argues that the sample size of comparison have to be limited because it is not the number of countries per se which is important but the range of variation they provide.

3.4.1. THE CHOICE CRITERIA AND CIRCUIT OF ACCESS

The researcher in course of his academic work in Bombay had been in contact with many manufacturing organisations. Thus, he was aware of several British MNEs operating in India. However, the exact nature of the relationship between the parent companies and their

subsidiaries in India was unknown to the researcher in some cases i.e. whether the subsidiaries were wholly-owned subsidiaries, technological tie-ups, franchise operations or with equal equity participation from some Indian industrial house. This information was studied from various publications and literature that companies send to the Career Advisory Service of the Aston University. Apart from that, a business publication titled "Who Owns Who" (Dun and Bradstreet:1990, Volume 1 and 2) gave much information about many British companies including their overseas operations. The companies meeting the requirements of the researcher narrowed the choice down to six organisations- ICI Plc, Cadbury Ltd., GKN, Glaxo Plc, Boots Plc and May and Baker.

The researcher personally knew some senior managers from the above mentioned companies in India. The researcher's acquaintance with some of them dated back to his student days in Bombay and was reinforced subsequently during his academic appointment with the Tata Institute of Social Sciences in Bombay. So as a preliminary step, the researcher wrote personal letters to all these contact persons in India enquiring about the possibility for research access. The personal letters were accompanied by a formal letter from the researcher to the same individuals and a supporting letter from the researcher's supervisor. These letters were sent in July 1990. Two samples of these letters are appended to this thesis as Appendix 1 and Appendix 2. Positive replies were eventually received to all these letters except from GKN.

The access to the British parent companies was a problem for the researcher. The initial search for access into these companies began by looking for addresses to write to. The Career Advisory Service of Aston University, the External Affairs Officer, the Head of Management Development were all contacted for the purpose. Some did not have any and others had contact at very junior levels of the

organisation which could not possibly serve the purpose. The access the researcher was looking for had to come from very senior level to be of any significance. It surprised the researcher that considering the frequency of interaction required by the Business School with different organisations for various purposes, there is no comprehensive and systematic data-bank maintained for the purpose of such access.

However, all those contacted made sincere efforts to help and some valuable addresses were obtained. On advice from the supervisor, the researcher got in touch with one of the very senior Professors of the University who is known to have done lot of research in many organisations of repute. He very kindly wrote to ICI, Glaxo, Boots, GKN for research access. GKN replied stating that they no longer had any operations in India which could be called their subsidiary and hence, were dropped out of consideration. The researcher learnt that May and Baker had been taken over by the French Company Rhone Poulenc. So technically it could no longer be called a British multi-national and was out of the running. No response at all came from Glaxo, while Boots Plc. expressed their inability to accommodate the researcher at that point in time.

The researcher, in the meanwhile, had narrowed down the choices to three organisations viz. ICI, Cadbury Ltd. and Boots and had specific reasons for it. The researcher knew the existing diversity in the nature of industrial relations, the composition of labour market, the extent of unionisation, the predominance of different unions in different provinces of India. Moreover, "labour" being a concurrent subject of legislation, both the central and provincial governments could legislate on it and the provincial legislation differs between provinces. Since units must be matched not only on their internal characteristics but also on contextual factors, it was essential that units of study, in India at least, were located

in the same or similar socio-economic-political environment. This requirement was all the more important as India, despite being one political nation, certainly does not have homogeneous cultural identity. Since all the three organisations, mentioned above, had factories in Bombay or its suburbs, they had one environment in terms of extent of unionisation, composition of labour force, labour legislation, wage levels and levels of awareness. This homogeneity was accentuated by the fact that the same unions competed for membership in that region and the organisations followed "region-cum-industry" principle in settlement of wage levels.

These gave the researcher a natural grouping or typology which is an important consideration in any research. Kassalow (1968:103) wrote, "By looking at industrial relations problems within a given grouping one achieves an 'automatic'; a major reduction in the number of background variables". So the researcher was very eager to gain access to two of these organisations and the fact that he knew people in these organisations in India added to the attraction and the logic. Sorge and Warner (1986:50) have warned about the weaknesses of matched case studies which do not lend themselves to "conventional methods of inductive generalisations and hypothesis testing". They warn that "the selection of explanatory variables will therefore always be suspected of being arbitrary". The clear theoretical formulation of this research and the large representative sample reduce the scope for such criticism.

In the U.K., in the meanwhile, the researcher approached a member of the Faculty from Aston Business School who had done extensive research at Cadbury U.K. to help him get access to the company. He set up a meeting for the researcher with the Training Manager of the Company who the researcher met and explained the project and his access needs. Later, this meeting was followed up by a formal letter to the Director Personnel of the Company requesting research access.

Finally, the official permission from Cadbury U.K. came through in end November 1990. The fact that Sir Adrian Cadbury happens to be the Chancellor of Aston University possibly facilitated the process.

A further letter was written to Boots Plc (who had expressed their inability to grant immediate access) explaining that the access was required for autumn 1991. A meeting was held with the Director Personnel on the 24th October 1990 which both the researcher and his supervisor attended. Although access was secured, the sample of managers offered by Boots for interview was rather too small and it was decided to drop Boots as a unit of study.

The process of correspondence with ICI U.K. was a prolonged process. The decision to give access was passed on from person to person and each asked the researcher to correspond with a different person. Finally, the clearance came through in February 1991 and the researcher went to ICI's South West Works at Gloucester for a preliminary discussion. This led to successful access being gained.

The final scenario for data collection was like this: the factories of Cadbury Ltd. at Bournville in U.K. (taking Bournville as one site) were to be compared with the Cadbury factory at Thane (a suburb of Bombay). The two factories are similar in several respects and the same has been elaborated in subsequent chapters. The South West Works' factory of ICI in Gloucester which manufactures man-made fibres was to be compared with the fibres factory of ICI in Bombay. Here again one could notice several parallels between the two factories to be discussed later in the thesis. Bean (1985) argues that comparisons of industrial relations confined to national level may lead to "industry effect" masquerading as national effect due to the pre-eminence of certain industry in a particular society. In this research, however, the units of comparison are from different industries obviating the likelihood of such an aberration.

3.5. THE FIELDWORK

Prior to the fieldwork, the researcher had to decide on the time to be spent on data collection, the dates of data collection in the two countries and the tools of data collection. The time length of data collection was governed both by the nature and extent of data to be collected and also by the overall time limit for the research. While submitting his first year report to the Aston University, the researcher had put in a carefully considered time-frame for the whole process which, if adhered to, would see him to his goal. In this plan, a period of seven to eight months was envisaged for data collection. The researcher planned to spend five months in India and about three months in the U.K. for the purpose. More time was assigned for India because there had been no face to face contact and discussion about the proposed study with the Indian subsidiaries. From his personal discussion with contact persons in the U.K. units, the researcher had gathered that it took time for them to understand the proposed research fully and appreciate the needs of the researcher. Further, there had been a time lag between the formal permission coming through from the organisations and the actual work of data collection, which would have and indeed did require the re-ignition of the whole process.

The researcher decided to collect data at Cadbury India during April/May of 1991, and at ICI India, in the following June/July. This was achieved in both cases. It had been agreed with ICI U.K. that the researcher would work with them in August/September 1991 and this was achieved. The data collection with Cadbury U.K. was scheduled for October/November 1991. However, due to staff changes, the actual data collection was delayed by a month. But, by the end of 1991, the whole process had been completed.

3.5.1. THE TOOLS OF DATA COLLECTION

Ramsay (1982:240) identifies three broad strategies of assessing participation schemes: observation of visible processes; reliance on the perception of the actors involved; and reference to the structural context of the scheme and its consequences. He does not consider these as mutually exclusive and rightly so. The management role in employee participation can best be understood not only by looking at what exactly happened within an organisation but also by relating the reality to the motivations, attitudes and behaviour dispositions of managers who are key actors in the process. Interviewing the managers seemed to be the best way of studying their role, but this was supplemented by non-participant observation of the actual process in operation and the study of various secondary sources of data like minutes of various participative forums, policy statements, position papers, circulars and history of participation.

In order to avoid bias creeping into the data, it was also decided to interview some of the employees who are part of the participation process within the organisation and some union leaders. The spirit of Denzin's (1970) principle of multiple triangulation pervaded the process of data collection. Ramsay's view noted in the previous paragraph also echoes a triangulation perspective.

The researcher planned for semi-structured interviews with the relevant categories of actors with the help of a pre-designed "interface guide". For the purpose of interviewing, the researcher chose to classify managers into two broad categories and developed separate interface guide for each. The interface guide meant for the top management category focused on the parent-subsidiary relationship in the context of participation and other related issues, whereas the one for the other managers concentrated on

participation related issues at the unit and shopfloor level. Similarly, the interface guide meant for employees focused on the unit/shopfloor level participation issues and the one meant for union office-bearers had a parent-subsidiary focus.

The initial plan of the researcher was to use the top management interface guide in both the countries. However, the structure of parent companies in the U.K. created definitional problem about "top management" and it proved difficult to identify people who dealt with the Indian subsidiary and had knowledge of it. Since it was much simpler and straightforward to identify functionaries in the Indian subsidiaries who dealt with the parent company, and the research problem demanded the subject to be looked at more from the subsidiary point of view, the top management interface guide was used only at the subsidiary level.

The union interface guide was not used at all as during pre-testing, it was discovered that the unit level union leaders in neither India nor the U.K. knew much about the parent-subsidiary linkages. The three sets of interface guides have been reproduced as Appendix 3, 4 and 5 at the end of this thesis. A check list was also developed to aid the researcher in collecting the background information about the units of research.

3.5.2. PRE-TESTING THE TOOLS

The interface guides went through a series of revisions before they took their final shape. The initial long list of questions was examined with respect to its relevance and importance to the main problem of research. In this process, it was realised that to keep the data focused, the questions asked to the employees and the managers had to be as similar as possible in terms of their intended locus. The researcher knew from his previous acquaintance with

manufacturing industry that it may not be possible for busy executives to spare much more than an hour for interviews and people usually do not have patience for anything longer. The researcher had also made a commitment to the participating organisations to confine interviews to ninety minutes maximum. The length of interface guide had to be suitably adjusted to keep to the time limits. The management interface guide was to be most widely used by the researcher and hence, he decided to pre-test it first. The objectives of this pre-testing were:

- a) To find out, how much time it actually took to complete an interview;
- b) To see, if there were any structural defects in the questions that made the questions unintelligible;
- c) To examine, if the questions elicited the right kind of data
- d) To experience any difficulty that one may come across in asking questions, recording responses and listening simultaneously in order to ask for clarification and elaboration;
- e) Lastly, to find, if the native speakers of English had any difficulty with the researcher's accent and diction.

The pilot interviews were carried out with six managers in the U.K. The pilot interviews proved very helpful and brought out a few significant points. It was found that the time required for each interview depended on the speed of talking of the interviewee and how much he had to say on different questions. Some of the interviews took almost ninety minutes. This foretold the possibility of someone having lots to say but less time to offer. An alternative sequencing of questions was planned to meet such a situation without altering either the physical structure of the interview or without losing the spirit and vitality of the subject. The questions were mentally classified into "must ask", "would ask", "should ask" and

"could ask" categories. Pre-testing revealed that structure of some questions was too long to ask in one breath and that the first part of the question lost its impact by the time the second or the last part was asked. It was decided to ask such questions in three different parts without changing the question on paper. Some questions proved to be ambiguous and had to be reworked.

Two interviewees pointed out that the researcher's body language strongly reflected his satisfaction or otherwise with a response which could influence the interviewee. This was carefully noted and efforts were made to minimise, conceal or avoid emitting any kind of body language in real interview situations. A cultural habit of the researcher to shake his head from side to side while agreeing with someone was taken as a sign of disagreement and was pointed out. This too was corrected.

The researcher found it extremely difficult to write, listen and ask supplementaries at the same time. So it was decided to use electronic recording devices and to write as a fall back system only. However, the researcher found it gratifying to be told that the interviewees had absolutely no problem with his English, that his interviewing technique and particularly skill in picking up points was extremely good. The coverage of the subject matter was also appreciated. These had a boosting effect on the researcher's confidence. The researcher had the opportunity to attend a video play-back session with fellow researchers at Aston University where they had a chance to see themselves in a simulated interview situation. That session too had helped the researcher in refining the technical aspects of interviewing skills.

The remaining two sets of interface guides were tried out in India. Minor adjustments and revisions were made in those as well.

3.5.3. *THE SAMPLE*

The researcher had planned to interview around fifteen managers from each of the units and about five employees or their representatives. The size of the sample was decided keeping in mind the qualitative analysis of data that was planned for and the time length set aside for each of the participating units. Qualitative data analysis in order to be meaningful and coherent requires smaller sample sizes, for too much qualitative data is not amenable to easy analysis or interpretation.

The number of people the participating organisations were prepared to spare at any time for the purpose was also limited. The researcher, during the contact phase, had given a fair idea to the participating organisations regarding the kind of people appropriate for the purpose of such research. The criteria included people who are or have been part of the formal participation process of the organisation, some who have never been part of such process, a fair mixture of different age groups, length of service within the organisation, representing various functional area, reflecting the entire gamut of management hierarchy and having various academic background. In the contact and correspondence phase, some of the units offered and two of the units insisted on drawing up the lists of people they thought appropriate for the research. There was no scientific sampling process followed nor did the researcher feel any need for it as a case method was adopted.

It turned out, to the surprise of the researcher, that all the four units (two in the U.K. and two in India) had identified sixteen managers each. Before embarking on the interviews, the researcher analysed the sample in each of the units to ensure that it was fairly spread in terms of the various mix referred to earlier. This analysis suggested that the sample in all the units were more or

less evenly distributed. The following tables give an idea of the distribution of the sample in all the units in terms of their age, length of service in the company, their place in the management hierarchy, nature of education and functional area they came from.

TABLE 1
AGE DISTRIBUTION

AGE GROUPS	CADBURY U.K.	ICI U.K.	CADBURY INDIA	ICI INDIA
21 - 30 YEARS	3	NONE	1	1
31 - 40 YEARS	3	4	7	6
41 - 50 YEARS	5	6	3	3
51 YEARS +	5	6	5	6

TABLE 2
LENGTH OF SERVICE DISTRIBUTION

SERVICE	CADBURY U.K.	ICI U.K.	CADBURY INDIA	ICI INDIA
LESS THAN 5	NONE	2	2	1
6 - 10 YRS	4	NONE	4	2
11 - 15 YRS	2	2	4	2
16 - 20 YRS	4	1	NONE	3
21 YEARS +	6	11	6	8

TABLE 3
MANAGERIAL LEVEL

LEVELS IN HIERARCHY	CADBURY U.K.	ICI U.K.	CADBURY INDIA	ICI INDIA
JUNIOR MANAGER	5	5	4	5
MIDDLE MANAGER	5	5	4	5
SENIOR MANAGER	5	5	6	5
VERY SR. MANAGER	1	1	2	1

TABLE 4
FUNCTIONAL REPRESENTATION

FUNCTIONAL AREA	CADBURY U.K.	ICI U.K.	CADBURY INDIA	ICI INDIA
PRODUCTION	9	5	4	3
MAINTENANCE	NONE	5	4	4
SERVICES	7	4	7	8
GENERAL MGT.	NONE	2	1	1

TABLE 5
EDUCATIONAL BACKGROUND

EDUCATION	CADBURY U.K.	ICI U.K.	CADBURY INDIA	ICI INDIA
NO ACADEMIC QUALS.	2	NONE	NONE	NONE
GENERAL SCHOOL	4	5	NONE	NONE
TECHNICAL SCHOOL	NONE	3	1	NONE
GENERAL DEGREE	5	3	4	7
VOCATIONAL DEGREE	4	3	8	8
OTHER QUALIFICON.	1	2	3	1

The analysis of the sample given above needs some explanation. It includes mostly factory level personnel as determined by the contact persons of the researcher in the participating organisations. The sample from Cadbury India, ICI U.K. and ICI India was an all-male sample whereas the sample of Cadbury U.K. included three women managers. In terms of age, the U.K. organisations showed a higher presence of older managers compared to their subsidiaries in India. Long serving managers were a feature of three units with the sole exception of Cadbury India. The growth of service functions is evident in all the factories as each sample has a high presence of managers from such functions. Functions like design, quality assurance, engineering development, R & D, Personnel etc. have been categorised as "service functions". People occupying positions of works manager or general manager have been interpreted as

discharging general management functions.

Apart from the above sample, in Cadbury India, the Chairman and Managing Director of the company and the Vice President (Human Resources and Planning) were interviewed about the parent - subsidiary relationship. Also interviewed in the same organisation were three union leaders of whom two were operators and one was a clerk in the personnel department. Two of these employee representatives were graduates and one had secondary school education. In ICI India, the Vice President (Fibres) was interviewed about the multi-national linkages. Five union representatives were also interviewed at ICI India who all were above 40 years of age, were all male and all had more than 18 years of service with the company. Three of these men hold secondary school certificates, one is a graduate and the other had education till class seven.

In Cadbury U.K., the researcher also had the chance to interview Sir Adrian Cadbury, one time Chairman of Cadbury Schweppes, and a long time director of Cadbury Limited. He also had informal discussions with the Works Manager of a factory, the Director Personnel of Cadbury Ltd. and the CMQ (Cadbury Means Quality) Manager. Here 6 union representatives were interviewed, four of whom were local convenors for T&GWU, one was the President of the "Cadbury Ltd. Sales Representatives Union" (C.L.A.R.A.) and the last was a shop steward. All these persons were above the age of 40, only one of them was a woman, no one had any formal education, two of them had more than 10 years of service and two had more than twenty years of service with the Company. At ICI U.K., the researcher interviewed the Convenors of T&GWU, EETPU and MSF. All these representatives had more than 26 years of service with the organisation and had basic education. Overall, the union representatives were comparable to their counter parts in India in terms of age and experience but the latter had more formal education.

3.5.4. THE FIELDWORK EXPERIENCE

The actual data collection proved both problematic and informative in many respects. Although all the four units were, on paper, ready to give the researcher unlimited access to company's documents relating to participation and allied issues, the amount of documentation varied considerably. Most was found at Cadbury's Bournville site where the data archives located in the basement of the factory carry documents on various aspects of the company since the early twentieth century, and some even from the late nineteenth century.

The researcher had decided on non-participant observation as one means of data collection and had expressed his desire to be present at meetings of various participation forums in all the four units. All the units provided opportunity to the researcher to be present at various participative forums such as the Works Committees, Safety Committees, Canteen Committees, Quality Circles, Quality Action Teams, Briefing Groups etc. At all these meetings, the researcher was usually introduced and his mission explained and his outsider status and non-participation were emphasised. In one case, in Cadbury U.K. one manager added to the whole introduction a message, "We don't want to give him wrong signals, do we?" In ICI U.K., the Personnel Manager had to obtain the consent of the stewards for the presence of the researcher at the Works Committee meeting beforehand, and in ICI India the Personnel Manager had to obtain the consent of the Works Manager for the purpose.

In Cadbury U.K., the researcher was very keen to be present at a meeting of the "Liaison Committee" which is supposed to be an important participative forum within the organisation and he was given to understand that he would be told about the meeting at the appropriate time. One day, in the course of his discussion with a

Convenor, it was learnt that the Liaison Committee had had a meeting the previous day. On learning about the researcher's desire to attend it and his dismay at having not been told about it, the Convenor commented, "There was likely to be lot of fire works at the meeting. Maybe the company did not want you to be a witness to it. This company is highly conscious of its image in the outside world". On enquiry, the contact person told the researcher that he did not mention the meeting as he did not want to upset the pre-fixed interview schedule.

All the participating units were given an information pack by the researcher to be circulated to all the persons the researcher was supposed to meet. The information pack contained a letter from the researcher to all the respondents which explained the nature of his study, his expectations from the respondents; a brief biographic sketch of the researcher and a sample of questions from the interface guides (See Appendix 6, 7 and 8). The interviewees in all the organisations were very cooperative with the interview process and invariably kept the appointments given unless some plant emergency or unavoidable delay came up.

Most managers interviewed were reasonably frank and open with the researcher. Some went to considerable length to explain their views and relate their experiences. Some of the managers chose to stick to the party (read 'company') line and not say anything that could remotely be interpreted as a not-so charitable statement about the organisation. The presence of the tape recorder did not make matters any better either. The researcher used voice-activated tape recorder to record all the interviews but only after obtaining specific consent of each interviewee prior to the interview and it was a relief to find no open resistance to the use of electronic recording devices though occasionally there were murmurs of apprehension. The researcher was a bit surprised to find such statements coming even

from some senior managers. All had to be repeatedly reassured about confidentiality of discussion and that the recording helped accurate registering of views and served as a back up. Of course, a blanket commitment of confidentiality had already been guaranteed by the researcher in his personal communication to the respondents. The researcher was also trying to write out as much of the interview as possible while interviewing, lest the recorder failed to register something.

In the U.K., the multitude of accent and intonation with which people speak English was a tricky situation for the interviewer. However, after the first few interviews the researcher felt more at home with this variety, and from then on the going was easy. What continued nagging the researcher was his unfamiliarity with colloquial English sayings and colourful epithets, metaphors, figures of speech and local slang that people used to express their ideas and experiences so eloquently. Some examples of such usages include "a worker going bananas", "the management going doolally" or "kicking a bug bear on its arse" etc. In all cases of such usage, the researcher had to indirectly probe the meaning of the sentence, or ask them to reexplain their view or the researcher used to paraphrase their statement and ask them if that is what they had said.

In India, even though the employee representatives were educated, their understanding of English was certainly limited. This necessitated frequent translation of the questions into Hindi which is the national language of India and which is understood by large sections of population across the country or into Marathi which is the regional language of Maharashtra province whose capital is Bombay. The researcher's acquaintance with both Hindi and Marathi was of immense help but it was difficult to always translate specific expressions and concepts in English into their exact

renderings in the two Indian languages. However, the habit and propensity of people in India to use the Indianised version of English words in their native discourses came as a boon in such situations.

CONCLUSION

As the chapter describes, the design and methodology of the research were decided upon after careful consideration of the related issues and options. Every attempt has been made to secure the validity of the data obtained and to protect the independence and objectivity of the research. The limited data base has to be appreciated in the context of the limited time and resources of a single researcher. Nevertheless, the methodology and the quality of data obtained ensure the utility of findings. Before proceeding to the case studies proper, it is deemed important for fuller understanding to present aspects of the context of the Indian case studies. That is the concern of the next chapter.

CHAPTER 4 THE CONTEXT FOR THE INDIAN CASE STUDIES

INTRODUCTION

This chapter introduces the context of Bombay (where the factories of both ICI India and Cadbury India are located) in terms of its industrial environment, industrial relations, labour legislation and socio-economic features. The chapter broadens the discussion to include economic and legal features of the Indian federation that have implications for the provinces. Since India is a vast country, catching her flavours and combining these in a compact whole within the limited pages of this thesis must inevitably leave voids. This chapter, therefore, is to be taken only as an indicative guide. Since this thesis has been produced in the United Kingdom, the researcher does not feel the need to discuss the context for the studies carried out in the U.K.

4.1. "THE BOMBAY MIX"

The "Bombay mix" apart from being the name of a popular snack food in the midlands region of the U.K., represents the unique blend of factors and features that make Bombay the Manhattan of India- its commercial and industrial capital. Holmstrom (1984:55) eulogises, "Bombay is the best studied Indian City and the one with the longest history of relatively uninterrupted industrial and commercial growth". The capital of Maharashtra province, Bombay is known as the Gateway of India being on the west coast of India and with the bulk of her trade passing through it.

The state of Maharashtra has a rich political and cultural history. Most major nationalist leaders in the freedom movement came from this state and it was the seat of Maratha empire which had worthy leaders like Maharaj Shivaji. Bombay was the venue of the first

convention of the Indian National Congress in 1885. The economy of Maharashtra has always been vibrant with its rich mineral resources and strong agricultural base. Its high quality black soil suits large cotton growing, and even today one finds many textile mills in the inner city areas. Its rich water resources facilitate wide irrigation. Being capital of a politically and economically significant state, has proved to be both a liability and asset of Bombay. Bombay has attracted huge amounts of investment over the years both from private as well as the government sectors. Its manufacturing base ranges from the most traditional to high technology industries like the computer industry. It is the single most important base of all large multi-nationals and the presence of Proctor and Gamble, Hindustan Lever, ICI, Cadbury, Siemens, Pfizer, Hoechst, Otis, Bayer, Sandoz, Rhone Poulenc, Merck, Searle, Boots and Glaxo etc. bear testimony to the appeal of Bombay for industrial capital.

The industrial expansion of Bombay has made it an alluring employment zone drawing a huge migrant population from all over India. It being the base of mainline Indian cinema adds to the attraction of millions of uneducated and impoverished villagers and small town people used to living in the fantasy world of Bombay through the silver screen. The uncontrolled migration has led to Bombay developing in an unplanned way and has caused the worst nightmare for urban planners. Bombay is urbanization at its worst, with the pride of having the largest slum in Asia where the glitz of Bombay gets washed away with gutter water to reveal emaciated faces of under-nourished children. Broughton (1924:180) wrote seventy years ago, "Probably in no industrial city in the world are conditions as bad as in Bombay", which is true even today, to a greater degree probably. But that is its speciality. Holmstrom (1984:208) comments, "... Bombay is special, the Bombay man prides himself that he is independent and can make a living against odds".

The Bombay labour has more of everything- a higher proportion of migrants, higher paid, more disciplined, militant, organised workforce, more pampered, more grumbled about and so on. Bombay is a known high wage island where population pressure leads to price rises and multi-national presence leads to pay escalation. Labour in the organised sector of Bombay has traits of or is comparable to the labour in any industrial society- it is more aware, well informed, well organised, has better communication amongst each other and the outside world. The pace of industrialization of Bombay has vindicated Schregle's (1982:129) views that "industrialization has shaped labour relations institutions, and labour relations have been determining the direction of industrialization. They are two aspects of a single whole". Bombay's industrialization has been accompanied by major initiatives in the industrial relations scene and the state of industrial relations in Bombay has been driving industries away from here to safer havens or 'greenfields'.

Bombay took the lead in industrial relations legislation with the Bombay Industrial Disputes Act of 1936 which contained pioneering ideas for India like compulsory trade union recognition by the employers, statement of standing orders within enterprises embodying minimum terms and conditions of employment, arbitration of industrial disputes by the labour courts and limitation of right to strike or lockout under certain conditions. This legislation had tremendous impact on the evolution of subsequent labour relation, legislation and labour policy in India. This legislation also led to the institutionalisation of industry-wide negotiations for certain industries in the Bombay region and stimulated the growth of industry-wide unions.

Similarly, the MRTU and PULP Act (Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act) 1971,- enacted by the Maharashtra government- requires employers to recognise the

majority union in their factories as the sole bargaining agent and lays down detailed procedure for it. This Act defines and describes unfair labour practices and provides for punishment. It also confers minimal rights on the minority unions in an establishment. This is a radical piece of legislation, not usually found in other provinces of India. Bombay features industry-wide negotiation in some industries and plant negotiations in others; very militant trade unions unaffiliated to national federations and relatively docile unions with national affiliation.

Bombay, in many respects, if is not a complete industrial society, it is a serious contender for that status. It is a bundle of contradictions and varieties. That is what makes Bombay a researcher's paradise and nightmare. The industrial situation of Bombay is not typical of India, it shares some aspects of labour legislation and industrial features with the rest of India. These aspects of India as a whole will now be elaborated.

4.2. INDIA: THE SOCIO-ECONOMIC FACTS

Writing about the labour relations in South Asia, Schregle (1982:62) wrote,

"in order to understand fully and appreciate labour relations development in the region, one must be aware of the cultural and historical background.... He who approaches the subject of labour relations in Asia must, in the absence of detailed knowledge, possess or acquire at least respect for the profoundness and refinement of Asian cultural values without which he cannot hope to distinguish the very special flavour and very particular characteristics of labour relations on the southern side of the continent".

This observation is no more true about any country in southern Asia than India. India is one of the most ancient civilizations of the world. Her gigantic geographical size is referred to as the "Indian subcontinent" and is the second most populated country in the world with estimated 843.6 million people (1991 census estimates). She is a multi-religious, multi-cultural and multi-linguistic society which

makes her unique in many respects. After being under British colonial rule of various forms for almost 200 years, India became independent in 1947 and subsequently, a Republic in 1950.

India is a union of states with 25 states (provinces) and 7 union territories (the Indian cases of this thesis are located within the Maharashtra Province). The country has a parliamentary form of government both at the national level and in the states, and the subjects of legislation are divided into Union List, State List and Concurrent List. "Labour" is a concurrent subject of legislation, giving jurisdiction both to the central as well as state legislatures. Indian society is highly fragmented and stratified in terms of caste though the rigidities of the caste system are not as stringent (at least in cosmopolitan cities like Bombay) as they were previously. Industrialisation is slowly changing the bases of stratification. Indian people are largely tolerant (even though incidents of riots and violence in Indian society may suggest otherwise to the outside world), the family as a primary social unit is still strong, people respect elders and authority, are withdrawn and shy and are spiritually inclined. (For more about Indian values and attitudes see Tayeb, 1984; Hofstede, 1982; Radhakrishnan, 1958).

4.2.1. MACRO ECONOMIC CONTEXT OF INDIA

Nehruvian "Democratic Socialism" has been the socio-economic ideal of India since the independence which has manifested itself in the forms of a mixed economy and centralised planning. Lately, the present government is pursuing a policy of liberalisation because of various political, economic and international compulsions. Even today, planning and state intervention are still very strong. The direction and tone of industrialization in India is set by the government through its Five Year Plans, Industrial Policy Resolutions and other policy instruments. Industrialization and

urbanisation have reinforced each other in India leading to a great rural-urban migration and divide. The government has been taking positive action for past few years to direct industrial investment to rural areas, with some success. Both ICI and Cadbury (the latter lately) have used governmental incentives to set up factories in rural areas.

Despite careful planning, the overall economic growth of India has been slow. The 1980s have seen surge in GDP, GNP, per capita GNP and national income. The growth rate of national income had gone up from 5% in 1985-86 to 9% in 1988-89. The rate of growth of industrial production was 8.7% in 1985-86, 9.1% in 86-87, 7.3% in 1987-88, 8.8.% in 1988-89 and provisionally around 6% in 1989-90. The growth rate of capital goods was almost constant at 9%. (Source: Statistical Outline Of India, Tata Services Limited, Department of Economics, 1989-90, P12). More recently, the slow growth rate has been of alarming proportions. The growth in industrial output was zero or negative for the whole of 1991-92. The real GDP growth in 1991 has been only 2% and the total foreign debt for 1991 stood at \$77.2% billion. The early 90s, thus, have projected a grim economic outlook for India. In this background, investment in general and foreign investment in particular have been of importance.

4.2.2. INDIA AND THE MULTI-NATIONAL ENTERPRISES

"Even though", Nagesh Kumar(1990:1) writes, "India has received only a small proportion of foreign direct investment (FDI) stock in the world, MNE affiliates constitute an important and a more prosperous segment of the corporate sector". Still the Indian government's policy towards foreign capital and multi-national enterprise has been ambivalent and has from time to time been guided more by political rhetoric than economic considerations. The leftist parties, in particular, have been suspicious of the MNEs. Most

political parties have always opposed multi-nationals entering the consumer goods sector and direct investment in production facilities have been favoured compared to trading. In 1977, the Janata Party government forced Coca-Cola to leave India. The colonial experience of India, particularly with the East India Company has made Indians weary of foreign intervention. All the moves of this Company were geared towards the welfare and interest of the colonising country rather than India. Its policies ruined Indian handicraft, artisans and peasants and in a way devastated India's economic foundation. So part of the suspicion is historical.

Most multi-nationals in India are of either American, British, German, Swiss or Swedish origin. There are very few Japanese multi-nationals but many Indian manufacturers have technological collaboration with Japanese companies. But even in the 80s, 53.93% of Foreign Direct Investment in India came from the U.K. (Nagesh Kumar, 1990:18). The Reserve Bank of India defines two kinds of Foreign Capital Enterprises or controlled affiliates of the MNEs: A) Foreign Branches- as Companies which are incorporated outside the country but have an operation in India and B) foreign controlled Rupee companies as joint stock companies registered in India in which 25% or more of equity capital is held abroad by a foreign company or its nominee or 40% is held outside India. A "MNE subsidiary" in this research implies the latter. Similar definition has been used in studies of Chen (1983), Connor (1977), Lall and Streeten (1977) and Chen (1975) etc. (See Nagesh Kumar, 1990 for more on this). Both ICI and Cadbury in India belong to the latter category. Nagesh Kumar (1990:12-13) writes,

"The process of Indianisation of foreign branches operating in the country and the dilution of the foreign equity in the other Rupee companies which FERA (Foreign Exchange Regulation Act) sparked off, brought about a drastic change to the organisation structure of foreign controlled sector in India. One significant outcome was that all the companies operating in India are incorporated now under Indian Companies' Act".

The dilution in share holding did not necessarily mean a reduction

in foreign management control. This has been later discussed with specific reference to ICI and Cadbury in India in *Chapters 6 and 8*.

Since the early 90s, with the government stress being on deregulation, privatisation, modernisation and liberalisation, the period has seen a proliferation of foreign collaborations, foreign investment with specific commitment to meet export targets and other forms of entry for foreign capital and technology. The net inflow of foreign capital as percentage of National Domestic Product increased from 1.7 percent to 2.2% between 1980-81 and 1987-88. Between 1984 and 1988 the average annual foreign collaboration approval has been in the region of 872. The figure went up from 666 in 1990 to 950 in 1991. In January 1992 alone, foreign collaborations involving 1.76 billion rupees were approved which is higher than the foreign equity approval for the whole of 1990 which stood at 1.28 billion rupees. The present Congress government has allowed access to companies like General Motors, Kellogs and Du Pont which have long awaited access to India. (Sources: Statistical Outline Of India, 1989-90 and The Financial Times Survey dated 26th June, 1992).

The rules regarding expatriation of profits have been rationalised and the limit of foreign equity holding in Indian concerns has been raised to 51% from 40% by amending the FERA. Since last year, the government has been aggressively marketing India as a land of vast potential to foreign investors and the precarious foreign exchange reserve situation of last year has added to the conviction. However, self-reliance being the "mantra" (incantation or guiding philosophy) of Indian economic thinking, India is likely to be a restrained if not a reluctant participant in the globalisation process.

4.3. Industrial relations IN INDIA

Schregle (1982:66) aptly summarises India's IR situation, "In India, the antagonism between employers and trade unions is sharper than many other Asian countries". This is not the right place to go into the reasons and the issues behind such antagonism. Suffice it to say that India has a fair share of capital-labour conflict. What is important is to understand the structure of this conflict, the rules of the game, the actors and the game arena. Holmstrom (1984:167) describes this process:

"In practice, unions and employers play a complicated game, each making tactical switches between legal procedures, the state conciliation machinery and informal contact with officials, influence with state and central politicians and direct industrial action".

According to the 1991 census, out of the 316 million workers in India, only 31.6 million belong to the organised sector. Employment in this sector, in recent years, has stagnated or even declined. The employment in the tertiary sector has vastly increased in the last five years whereas in the primary sector it has remained stagnant and in the secondary sector it has declined. The size of the workforce in the manufacturing industries had declined by 15.96%, the total wage bill increased by 8.76% and the average annual earnings per worker has increased by 27.3% during 1981-84. (Source: Pocket Book of Labour Statistics, Labour Bureau, 1989, P48). But the bulk of Indian labour legislation has been targeted at the organised sector and that too mostly at manufacturing industries.

4.3.1. LABOUR LEGISLATION IN INDIA

The single most important factor to be appreciated about Indian industrial relations is that it is highly legalistic. Early labour legislation during the British rule was meant to prosecute workers violating their contract. Protective legislation like the Factories Act came in the late 19th century. Many nationalist historians and economists considered it as designed to make Indian goods

uncompetitive by raising their overheads. In post-independence years, protective legislation proliferated as a reward to the working class for its support and role in the freedom movement.

The contemporary labour legislation in India can be broadly classified into: i) Industrial relations legislation ii) Wage legislation iii) Social security legislation and iv) Miscellaneous legislation. The IR legislation includes principally the Industrial Disputes (I.D.) Act, 1947; the Trade unions Act, 1926; the Industrial Employment (Standing Orders) Act of 1946 (all national legislation) and other provincial legislation like the Bombay Industrial relations Act or MRTU and PULP Act, 1971. The wage legislation includes the Payment of Wages Act, 1936; the Minimum Wages Act, 1948, the Equal Remuneration Act and the Payment of Bonus Act. The Payment of Gratuity Act, 1972; The Provident Fund and Miscellaneous Provisions Act, 1965; the Maternity Benefit Act and the Employees State Insurance Act are some of the social security legislation. The other Acts include the Factories Act, the Mines Act, the Contract labour (Abolition and Regulation) Act and the Plantation Labour Act etc.

All this legislation has implications for industrial relations at the factory level due to their implementation or non-implementation. These enactments along with the various judicial pronouncements arising out of adjudicated disputes over their interpretation and their application, constitute the legal foundation of Indian industrial relations. Voluntarism as a basis of constructive industrial relations is often affirmed in seminars, academic discussions and even in various Commissions and Committees set up by the government, the employers and the trade unions but the same remains a utopia in the tightly held and regularly used legislative provisions.

The Trade Unions Act, 1926, provides for the registration, dissolution and amalgamation of trade unions in India. Under the Act, any seven workers of a plant or firm can apply for the registration of a new trade union and fifty percent of the union office bearers have to be from within the factory. By the nature of its provisions, the Act has encouraged and led to multiplicity of unions, external leadership, political affiliation and frequent and easy splintering of the unions. The Trade Union Act has no provision about the recognition of union for collective bargaining purposes-a void left for the Industrial Disputes Act, 1947 to tackle.

The I.D. Act lays down voluntary arrangements for the identification of the representative union in each firm. In some provinces, the only inspiration for recognition of a majority union is the voluntary "Code of Discipline" accepted by the employers which is as much observed as voluntary renunciation of material goods is practised in a consumerist world. The I.D. Act has provisions relating to pacific modes of dispute settlement through third party intervention and also procedures for strike, lockout, retrenchment and lay-off of labour and closure of factories. It has arrangements for compulsory adjudication, workers' participation and protection of union office bearers against victimisation.

In Maharashtra, the MRTU and PULP Act provides for compulsory recognition of a union and lays down detailed procedures for it. The law is so designed that the recognised union gets all the loaves and fishes of the office to the exclusion of the minority unions. This creates bitter resentment among the minority unions leading to protracted power struggles. This is the case in the ICI and Cadbury factories in Bombay.

4.3.2. *THE ACTORS: THE TRADE UNIONS*

The trade unions in India proliferated in the 1920s keeping pace with the rapid industrialization in the inter-war period. The Trade Unions Act of 1926 gave further boost to the trade union movement. The nationalist leaders encouraged the involvement of trade unions in the freedom movement which brought the unions closer to politics. Growth of anti-Congress parties brought about division within the trade union movement and led to closer affiliation of unions with different political parties. Today, all major national federations of trade unions are affiliated to some political party or the other. The Indian National Trade Union Congress (INTUC) which is the largest is affiliated to the Congress Party. Many prominent political figures have their mass base in trade unionism. Trade union has been used by many as a launching pad for a wider political career- a phenomenon not uncommon for Labour Party in the U.K.. But this cuts across party lines in India. Thus, despite the socialistic rhetoric in India, there is more of "politicisation of labour" than "proletarianization of politics" (see Schregle, 1982:9).

Craft unions are rare in India. The laws do not encourage it and the employers are disdainful of it. Most unions are plant or factory level unions. There are only few industries like textiles, jute, iron and steel where one finds industry-wide unions confined to particular regions like Maharashtra Girni Kamgar Union or Association of Chemical Workers in Bombay. There are very few employer-specific unions. Many of these plant level or industry-wide unions are affiliated to several national federations but there is a vast majority which are unattached. There are about 70,000 unions in India and nine federations are recognised by the Central Ministry of Labour. Despite large number of unions, only 8% out of 316 million workers belong to the unions (Source: Financial Times survey, 26th June, 1992). Many of these unions have external leadership or at

least have connections with an external trade union leader. Often external leaders are believed to be more effective in extracting a better deal from managements, who appear more deferential to them than to internal leaders. Militancy has been another feature of Indian unions though there is difference in the militant tendencies of different unions in different parts of India. The Bombay region saw a surge in militancy in the early eighties. White-collar unions have been late comers on the scene and are very few. These are relatively weaker and inconsequential in comparison to the workers' unions as there is hardly any legal protection for the members of these unions.

Lately, many factors have been affecting India's labour movement. Trade unions in traditional industries like textiles have had to face severe erosion of membership due to closures and rationalisation. As such, there is low unionization among the workers in the organised sector and in the last decade, it has stagnated in terms of per union membership. Trade union functioning has been affected by a spate of government regulations like the Essential Services Maintenance Act, 1981. Under its provisions, practically any industry can be declared as "essential", and restrictions on the right to strike can be imposed. Trade unions' militant tendencies and tactics are being equally met by more and more aggressive management where productivity bargaining, productivity linked bonus and pay, management prerogatives and right to manage and closures are becoming the new vocabulary of industrial relations in India. Unions are cornered into accepting new technology, number reduction, capacity expansion with existing workforce and in some cases wage freeze.

At the other end of the spectrum, the union leaders are losing control over the rank and file members, the new generation of workers and many unions have had a role reversal by taking over

management of some sick units. Younger and newly educated trade union leaders are more sceptical of direct action. Protection of existing jobs and rehabilitation of out of work individuals is enjoying priority over wage issues. Describing the situation, Holmstrom (1984:165) writes, "A job is more important than cash in hand which many employers would gladly pay to cut their workforce or to get-rid of 'trouble makers'. The longest and bitterest strikes are about dismissals and not pay". Some unions partially subscribe to the idea of mutuality of interests. Reacting to new initiatives on IR legislation, INTUC declared (1981:5),

"The new industrial relations law must prove an effective aid for our nation's economic and industrial development and social justice for all. The Act, should therefore, be development oriented. It should not aim at more industrial peace for peace too can be negative. What we want is harmony in industrial relations so that the participants work with enthusiasm and contribute to not only their mutual welfare but also to the nation's welfare and progress".

4.3.3. THE ACTORS: THE EMPLOYERS

The roots of employers collectivities in India, too, go back to the colonial days. Morris (1965:38) ascribes their origin to the British interference with Indian entrepreneurs and their business interests. The collective organisation of business has taken the form of various national chambers of commerce, industry-wide manufacturers' associations, regional chambers of commerce and the like. The All India Organisation of Employers and the Employers' Federation Of India (both formed in 1933), the All India Manufacturers' Organisation (founded 1941); and regional employers' organisations coordinate employers' response to various labour matters, and lobby to protect employers' interests at different levels. Both ICI and Cadbury in India are members of many such bodies.

The concerns of employers have been restrictions on their freedom to reorganise work, restrictive practices by workers, unsustainable

wage rises due to payment of dearness allowance (allowance compensating for a rise in the cost of living) without any ceiling, the sheltering of workers through legislation, and the judiciary taking a soft stance about discipline of workers. Holmstrom (1984:166) comments, "... employers show by their deeds and words that they regard job security as one of the heaviest burdens law imposes on them".

Most employers go for plant level collective bargaining and prefer to have internal union leadership. The multi-union situation does create trouble for the employers but many take advantage of the situation and manipulate it for several purposes, including the flotation of a pliable union.

On workers' participation in management, employers in India, while accepting the idea in principle though with scepticism (as is evident from the evidence of employers and their organisations to various committees and commissions on the subject in India), have widely resisted the substantive aspects of the idea like the exact nature of participation, the level of such participation, its scope, timing and the basis of representation. Seth (1972:12-13) reports the observation of a Labour Ministry official about the employer attitude to the subject, "the main problem we face is that of the attitude and prejudices of the employers. It is not easy for us to approach them. They are all egoistic. We are doing a thankless job....many employers refuse to talk on the subject".

4.3.4. THE ACTORS: THE GOVERNMENT

All three branches of the government, the executive, the judiciary and the legislature, play a very strong interventionist role in the industrial relations process in India. India is one of the best examples of corporatism. The corporatist tradition in India began

with the appointment of a Royal Commission on Labour in 1929 which had significant influence on Indian labour policy, practice and legislation in later years. The objective of the Constitution of India being the establishment of a "Socialist Pattern of society", the government has been sensitive to the place of labour in such a society.

The "Industrial Policy Resolution" of 1956 stated:

"in a socialist democracy, labour is a common partner in the common task of development and should participate in it with enthusiasm ...there should be joint consultation and workers and technicians should wherever possible, be associated progressively with management ".

Even the Second Five Year Plan Document (Government Of India, 1965:577) noted,

"For successful implementation of the Plan, increased association of labour with the management is necessary. Such measure would help in a) promoting increased productivity for the general benefit of the enterprise, the employees and the community, b) giving the employees a better understanding of their role in the working of industry and the process of production, and c) satisfying the workers' urge for self expression, thus leading to industrial peace, better relations and increased co-operation. This could be achieved by providing for councils of management, technicians and workers".

Both legislation and voluntary initiatives like the " Code of Discipline" established to foster acceptable principles of behaviour have been instruments for realising government desire of constructive industrial relations. But the consequences of legislation for the employers have been diluted due to inefficient enforcement and a corruptible bureaucracy.

The pivotal role of private capital as wealth creators alongside the socialistic ideals and rhetoric have caused a dilemma of conflicting loyalties for the government. On two occasions, in 1978 and in 1980, the government tried to introduce comprehensive industrial relations legislation bringing about some radical changes which had to be abandoned in the face of fierce opposition from trade unions.

The Government has time and again attempted to restore the power balance between the employers and the labour through legislation when it has been disturbed by judicial pronouncements. On the whole, in its attempts at a balancing role, the government of India has been statically reactive to pressures and circumstances in Indian industry and economy rather than developing a strategic policy of its own. As a result, tactical manoeuvring rather than policy has been the governing principle for both the trade unions and the employers at the micro level.

4.4. WORKERS' PARTICIPATION IN INDIA: THE DREAM THAT DID NOT COME TRUE

In keeping with India's socialist ideals, an economic, political and organisational niche for labour has been identified and protected by the political elite. There was an ideological commitment to workers' participation in India, though the economic benefits of workers' co-operation were an additional consideration. As Schregle (1982:147) writes at a more general level,

"Southern Asian governments which push in the direction of workers' participation often do so with the declared objective of enlisting workers' support for national development through improved labour-management relations".

The historical origins of workers' participation in India are obscure and contested. But evidence of its practice in rudimentary form at the Tata Iron and Steel Company, dates back to 1919. Some such experiments were made within the Ahmedabad Textile industry in 1930s with the active intervention of Mahatma Gandhi. The Royal Commission on Labour (1929) in its report had recommended the constitution of Works Committees at industry and factory level. The first legislative initiative came under Section 3 of the Industrial Disputes Act, 1947 which authorises the "appropriate government" to require any employer having 100 or more workmen to set up a Works Committee which is to consist of equal number of representatives from management and labour. The Works Committee was introduced, "to

promote measures for securing and preserving a unity and good relation between the employer and the workmen and, to that end, to comment upon matters of their common interest or concern and to endeavour to compose any material difference of opinion in respect of such matters". Theoretically, no subject concerning the employer-employee relationship is beyond the purview of this committee.

However, the judicial pronouncements have differed about its role, scope and jurisdiction. As per one interpretation (LLJ :1952:822),

"The Industrial Disputes Act has been designed to allow for a maximum of negotiation and settlement before a dispute is transferred to the sphere of adjudication and the very first body constituted for the purpose of negotiation and settlement is the works committee, it, therefore, follows that the agreed solution between the works committee and the management are always entitled to a great weight and should not be readily disturbed; this would be particularly so in matters like classification, grades and scale which are peculiarly within the knowledge of the members of the works committee" (Metal Box Co. India Vs Their workmen case).

The other view (LLJ 1, 1960:580) says,

"The Works Committees are concerned with the problems arising in the day to day working of the concern and their function is to ascertain the grievances of the workers and when occasion arises to arrive at agreements also. But their function and responsibility as their very nomenclature indicates, cannot go beyond the extent of their recommendations. They are not authorised to consider real or substantial changes in the conditions of service" (Northbrook Jute Co. Vs Their Workmen case).

The ID Act has not precisely defined the role of the works committee and hence, the confusion in interpretation. Further, in a multi-union situation, the nature of representation on the works committee has been controversial. The National Commission on Labour (1969) recommended that only the recognised union should have the right to nominate worker members to this committee. Data available up to 1987 shows that out of 1,115 central firms in which works committee should have been formed covering 993,000 workers, only 499 works committees were formed covering 482,000 workers. Later, the Factories Act (1948), too, created limited scope for participation by providing for joint canteen committees in those factories which are required to have a canteen.

The Indian Labour Conference (ILC) in 1957 recommended the setting up of Joint Management Councils (JMCs) at the firm level with the twin objectives of productivity improvement and better industrial relations between management and labour in matters not covered by collective bargaining. This model was based on the recommendation of a tripartite body which went to European countries and studied their participation system. The experiment was to be started in 150 selected organisations. In the ILC, the unions proposed statutory JMCs to give these added status but the employers' opposition persuaded the government to make it voluntary i.e. subject to acceptance by both the management and the union of an establishment. It was slow in its uptake and did not last very long. The major reason for its failure was the insignificance of its scope and jurisdiction. Moreover, its demarcation from the job of works committee was rather indistinct, and so in some senses it was duplicative. The National Commission on Labour (1969) ascribed its failure to the lack of interest of both the parties and considered multiple plant level consultative forums as a wasted effort. It suggested that the unions and the management could, by mutual consent, enlarge the jurisdiction of the works committee to include the functions of the JMC.

In another momentous decision in the early 1970s, the government decided to have worker directors in the nationalised banks and a few other selected public sector undertakings. During the national emergency of 1975-77, severe restrictions were imposed on the activities of trade unions and strikes and lockouts were outlawed in the (ostentatious) interest of national economy. In spite of the restrictions, the socialistic rhetoric and rituals had to be kept up. Workers' participation thus came to be a prominent item in the 20 point economic recovery agenda of the Prime Minister. The scheme for workers participation that followed envisaged shop councils at the shopfloor level on a **voluntary** basis (emphasis added), with

equal representation of employers and employees. The council was to discuss all forms of improvement to productivity, production and efficiency. At the plant level there were to be Joint Plant councils to co-ordinate activities of the shop councils. Thus, in the 1970s, there was a discernible shift in emphasis from the rights to responsibilities of labour.

The issue of workers' participation was further brought to prominence through insertion of Article 43A to the Constitution of India by the 42nd Amendment which read, "The State shall take steps, by suitable legislation or in any other way, to secure the participation of workers in management of undertakings, establishments or other organisations engaged in any industry". A change of government in 1977 left the vision unfulfilled.

The new Janata government in 1977 resolved, "to set up a Committee on Workers' Participation in Management and Equity". The promise died with the fall of the government in 1979. The Sachar Committee on Company Law reforms was to examine the provisions of two Acts- the Companies Act, 1956 and the Monopolies and the Restrictive Trade Practices Act, 1969- and report, inter alia, on 'measures by which workers' participation in share capital and management could be brought about'. The Sachar Committee unequivocally opted for election as the basis of workers' representation, the Board of Director as the focal point for the worker participation and suggested the experiment be carried out only in factories with more than 1000 workers. However, the Committee left some details like nature of election, numbers and role of the union in it for the Government to decide later and as a result, indefinitely postponed its implementation. The Committee examined the possibility of having two tier Boards of the German kind but concluded that it was inappropriate for the Indian situation. The National Front Government which came to power in 1989, restarted the lost cause of

1977 but again the creators and the cause were short-lived.

The experimentations with participation in India unmistakably point to one thing: workers' participation as a value, as an ideal and a rhetoric continues to charm the Indian political elite. It is almost a ritualistic opening shot for the political elite in its communication with the industrial world and working class. It has been used for a variety of purposes- to get votes, to control industrialists, to enlist worker co-operation in fulfilling Plan objectives, to cover up failures and inaction in settling pressing issues of industry and labour or simply for diverting national attention until the new government comes up with something more credible or controversial.

The Government of India tried the voluntarist approach to participation with Shop Councils and JMCs and it did not work nor did the legislative or mandatory approach with Works Committee. The failure of each strategy has aroused renewed interest in the other and the cycle so far has not ceased. So workers' participation is the dream that did not come true for India and possibly never will. The specific impact of various initiatives on Cadbury and ICI in India are discussed in *Chapter 6 and 8* respectively.

CHAPTER 5 PARTICIPATION IN CADBURY U.K.

INTRODUCTION

This chapter is the first of four dealing with the case studies undertaken in the U.K. and India. It discusses the second most well known aspect about Cadbury, after its chocolates- the "employee participation". The management action in the participation arena of Cadbury has been analysed based on the interviews with managers and employee representatives at Bournville, study of various company documents and the researcher's attendance at some participative forums. Cadbury's historical circumstances contextualise this analysis. Without such time linkages, the discussion would mean artificial abstraction of events and superficial construction.

The chapter briefly traces Cadbury's growth and relates it to various changes in the participation arena. The history of participation in Cadbury has been charted through its different phases followed by discussion of the current participation structure. The analysis thus far is based on company documents, interviews with some long serving managers and other research accounts about the company by Williams (1931), Whipp and Smith (1984), Smith (1986), Smith (1987), Rowlinson (1987) and Smith, Child and Rowlinson (1990) and others.

The discussion then focuses on the purposes, the levels and the issues of participation in Cadbury and relates these to the power process at work in the company. It studies the information disclosure process and how control is secured through it. This part of the research is primarily based on interviews with different actors within the company.

5.1. THE GROWTH OF THE ORGANISATION

The story of Cadbury is well documented in company publications as well as by company historians and the independent researchers named earlier. The aim here is to highlight a few landmarks relevant to this research. Cadbury's evolution from a family-owned tea and coffee business to an international company has had dynamic implications for the company's industrial relations, management structure and above all, its cultural and ideological make up.

Founded in 1824, factory-scale production began in 1831 and Cadbury became a partnership in 1847. It moved to a purpose built factory at Bournville in 1879 which even today remains a main base of Cadbury's operation. Though company documents acknowledge both philanthropic and commercial reasons for this move, the former has always been more publicised. With an expansion of cocoa business, Cadburys expanded into chocolate making and backed it up with several measures. By the early 20th century, they were exporting to many countries including India.

Cadbury became a private limited company in 1899. The turn of the century was marked by higher competition from the continent in the chocolate market and Cadbury responded with Taylorization and new product development. Dairy Milk (1905) and Milk Tray (1914) were success stories of the time. Favourable business conditions led to a fall in chocolate prices and a consequent rise in demand in the inter-war period. During this period, building of a new factory started at Bournville to expand capacity, and the company entered the unexplored twist-wrap market.

Community activities of Cadburys, during all these years, were prominent. The official biographers and business historians of Cadbury have warmly praised the caring concern of Cadburys for their

employees. Accommodation for employees near the factory, clubs, baths, recreation and sports facilities, compulsory education and the like are cited as undeniable evidence of Cadbury care. Often the Quaker ethics has been taken as the guiding spirit of this care, but the role of this ethics has been questioned by Rowlinson (1987). However, he (1987:18) adds, "Cadburys may not be conceptualised as a Quaker employer, that does not mean to say that it was like any other firm, only that different explanations for its distinctiveness must be sought". However, it may not be wrong to argue that company housing and the merger of factory and community life facilitated social control over a captive workforce. But the myth built up about paternalistic care overshadowed the control consequences of such care.

Mergers and takeovers have been strategies of Cadbury at different times to broaden their base, fight off hostile bids, eliminate competition, and maximise profits. The merger of Cadbury with J.S.Fry & Sons of Bristol (1918-19)- which in reality was more of a takeover- and the acquisition of Pascall Murray (1964) are cases in the point. The most radical outcome of this strategy was the merger with Schweppes in the U.K. in 1969. The stated objective (mentioned in a company leaflet) of the merger was to create vast 'resources to expand old markets, break into new ones and develop new products'- things that both had successfully done alone in the past. The real reason possibly was to create an equity base large enough to defeat any hostile bids. Initially, at least, the merger brought about more changes in Cadbury than in the old Schweppes; making it virtually a takeover of the former. However, Smith (1987:4) argues that the Cadbury family control at the highest level continued even after merger. In the long run this has, indeed, been the case. When this researcher asked if this merger diluted the "Cadbury spirit", Sir Adrian was non-committal,

"It is not for me to say that, others in the business could tell you that. I would only hope it did not. With merger, it

became a bigger business and in a large business it is difficult to change attitudes. Both learnt from each other. It is difficult for me to say who influenced whom more for my views from the top are bound to be different. The answer I would like to give is that the principles remained as they were, they simply spread over a larger group of people. There were a few good parts to the Schweppes philosophy; they were efficient, quick to respond, more responsive to change than us.... But beyond this, I could not judge more".

Possibly, as one may find later in the chapter, these "merger values" of "efficiency, responsiveness and speed" were practised at the cost of old Cadburyism of care and concern, talk and listen and help and hold.

The latest acquisition in 1989 has been the sugar confectionery company, Trebor and Basset. Cadbury Limited today is a part of the Confectionery stream of Cadbury-Schweppes. 50% of the sales and trading profit of the confectionery stream in 1990 came from the U.K. market. Thus, the U.K. market and Cadbury limited are important for the Confectionery stream. Currently, Cadbury has 5900 full time employees out of which 700 are managerial personnel. The company employs upto 850 temporaries at anytime.

5.1.1. CHANGES IN BOURNVILLE

The Bournville site is the oldest, and has always been of critical significance to Cadbury. Until the 1960s, Cadbury virtually meant the Bournville factory. Following the merger with Schweppes, the importance of Bournville as the centre of Cadbury business and spirit has declined. Chocolate is no longer its sole business nor Bournville its only site. Manufacturing facilities at Malbrook, Chirk, Moreton, Somerdale and sub-contracting, have all undermined Bournville's long standing unique position. Since the early eighties the Bournville site has been bifurcated into two independent manufacturing factories called the Moulded and the Assortments factory (for details of this change, see Smith, Child and Rowlinson:1990). The former makes block chocolates (e.g. Cadbury

Dairy Milk, Fruit and Nut, Whole Nut) and has about 1100 employees. The latter has about 1800 workers making boxed assortments (e.g. Milk Tray, Roses and Easter Eggs).

Apart from Bournville being slimmer and leaner in its range of activities, the introduction of new technology in the 80s made it fitter and faster. Using advanced process control technology, Cadbury reduced its 128 individual production plants (existent in 1980) to 57 major plants by 1987 and more reductions are expected. Most production is now automated and control is an integral part of it. The quantitative and qualitative impact of multi-function hi-tech process control is in evidence in new Wispa and Creme Egg plants. Automation has not only helped reduce staffing, it has reduced dependence on manual quality monitoring and has conferred white-collar status on many jobs. Similar automation in packaging process has vastly improved productivity.

The reverberations of changes in production and technology at Bournville were felt in employee relations structures and systems as well. During the late 70s to mid-80s, the workforce at Bournville was reduced from 10,700 to 6000. The bargaining units were reduced from 48 to 18 (further slashed to 15 recently). Presently, the production operatives of both the factories at Bournville are represented by T&GWU and USDAW and the trades people by the AEU and the EETPU; the office staff and security staff by the APEX Partnership; and the site services staff (e.g. catering and staff-shop employees) are with T&GWU and USDAW. The sales people are represented by the C.L.A.R.A. (Cadbury Limited Sales Representatives Association).

The changes noted above are undoubtedly spectacular. However, what is important for this thesis is the manner in which the changes have been effected, and how that illustrates the management role in the

employee participation process. To do this adequately, first a brief examination of participation in the early days of Bournville is required.

5.2. PARTICIPATION IN CADBURY: THE EARLY EXPERIENCE (1900-1960)

The analysis in this section is based on reading various company documents and other independent work. Very little is known about employee participation in Cadbury before its move to Bournville. A company document notes that "working together" at Bournville for the first twenty years was strictly in the master-worker tradition where paternalistic benevolence of a family business was much in evidence. The company has historically taken pride in Men's and Women's Works Committees constituted (1905) to oversee matters affecting the employees. These committees, however, had only management members and no worker representatives. Nevertheless, these along with various clubs and societies have been always projected as part of the Cadbury culture of working together.

Formal structures for employee participation began in 1908 with election of employee representatives to men's Suggestion Committee (the women employees got the privilege only in 1913). Later, in 1912, a Committee was formed in Women's Card Box department to deal with the piece rates problems. Then in 1918, Works Councils (one for men and one for women) were set up with equal representation from management and employees selected by secret ballot on departmental basis. A company document notes,

"The Councils had powers and functions over a wide field including working conditions (health, accidents, works rules), welfare (including education and catering) and suggestions. There was a clear demarcation between Councils and unions. Nevertheless, the achievements of the Councils and their influence over the industrial climate at Bournville, were very considerable".

The timing of the Works Councils was significant. These emerged in the immediate aftermath of the Whitley Report of 1917- a linkage

painstakingly denied by the management of the time and the later regimes. Rather, the Works Councils have been projected as a natural stage in the evolution of company's benevolence (see "A Works Council In Being":1925).

The attempt evidently was to keep the Bournville experiments different without being divergent, but similar without being identical, to the Whitley proposals. The management wanted to retain its freedom without appearing out of step with the current trends. So the issues and principles of participation were projected as the results of company policy, but the levels of such participation were linked to external factors. This strategy is discernible in company documents (1925:4) where the absence of upward linkage of the Bournville Council within Whitley scheme has been attributed to the failures of Cocoa and Chocolate Trade Agreement (for more about the Cocoa and Chocolate Trade Agreement of the time and the role of Cadbury in it see, Rowlinson:1987).

That the Works Council covered only employees in chocolate and cocoa making and not those in the attendant industries at Bournville suggests that participation philosophy and principle was selectively applied by the management. In designing the Works Council system, the management was extremely careful to keep unions out of it without antagonising them. The preface to the Works Council constitution stated,

"The Directors and the Works Councils value Trade Unions believing that they provide the best method of negotiations between workers and employers. The firm value the goodwill of the trade unions in acknowledging the Works Councils as a body which supplements but does not encroach upon their province".

Probably the management pre-empted any antagonism by making it look and sound non-adversarial. However, company publications elsewhere acknowledge that in practice, employee representatives on the Councils were virtually always union members and usually included their local office bearers. This could partly explain the apparent

absence of resistance from the unions to their formal exclusion.

The management has always maintained that the Works Councils were created through joint drafting by the workers and the management "sitting side by side in equal numbers". But the moot point is whether neighbourly physical location and equal numbers gave the workers an equal say. The historical truth of it is difficult to ascertain but the desire and success of the management in keeping the unions out of the formal system raises reasonable doubt about the equality of such influence. The management at the time had a munificent attitude towards workers' and unions' rights and saw it not as derivatives of law or contract but arising out of benevolent master-servant relationship. Rowlinson (1987:267) writes, "The Bournville Works Council did not represent a well organised force on the workers' side....The firm hardly needed to make concessions to a force that did not exist".

5.2.1. THE NATURE AND STRUCTURE OF COUNCIL SYSTEM

The Works Council system was the dominant participation system at Cadbury for the first half of this century. This vertically integrated structure had about 130 Shop Committees at the base whose members were directly elected from the shopfloor. The Shop Committees elected the members of the Group Committees. The members of the Works Council, the apex body in the system, were elected by all employees within a group. The Group Committees had no management involvement and were finally discontinued in 1926.

It is difficult to say if the gender division of the Councils was a reflection of the British social conditions of the day or a management strategy to create artificial division among labour which Marxist literature finds endemic in capitalism. Whatever be the cause, the net effect was one of unco-ordinated action on the part

of the workforce as a whole (further weakened by non-unionised Councils) and the resultant ability of the management to play one against the other (divisions within the workforce as its weakness has been noted by Smith, Child and Rowlinson, 1990:184 and Smith, 1987:32).

Cadbury management's commitment to the system is open to question on other counts also. Despite affirmations in company documents that "the Works Council organisation is an integral part of the total organisation of business", the Council's operating expenses were not considered a part of business expense. The worker members of the Council lost wages for attending Council meetings and other Council work, which had to be compensated from a Fund created out of workers' contribution. The management made a token contribution to the Workers' Fund. This, in a way, forced the meetings to be held out of working hours which management projected as a sign of worker commitment to the system. Further, the Council could not even change its own constitution or that of the Shop Committees without the consent of the management. Thus, the structure of participation was in place but the conditions for taking part in it were so severally and severely laden against the workers that it made the equality of representation superfluous- an equality of numbers only.

The Council system even in the sixties was full of symbolism and ceremonies like annual meeting of the Council being open to all employees, Director making a report on the state of business to the open meeting, and many more. But one cannot be sure if these enabled the workers to have greater and better say in the affairs of the company, and probably it did not.

A novel feature of the system was the alternative chairing of Council meetings by a workers' nominee and a management representative, the latter usually being a Director of the company.

The strategic nature of Director's involvement is revealed in a company literature,

"Great importance is attached to the presence of a Director at a Council or committee meeting. He can usually say at the very start how the firm will regard any new proposal. This undoubtedly makes for smooth running and promptness in dealing with business: it avoids delay and misunderstanding at subsequent Directors' meetings" (Emphasis added).

The role of the Director was distinctly one of pre-emptive control and continuity. Making the Council responsible to the Board of Directors, and delegation of some responsibilities by the Board to the Council helped legitimise the controlling role of the Director in the Council. It also gave the Councils and the stewards in it a sense of power (Smith, Child and Rowlinson, 1990). The Councils were designed (and the point was always emphasised) as part of and subordinate to normal authority and control structure of the organisation. The Council constitution stated, "The Works Council shall be subject and responsible to the Board of Directors only". The jurisdiction of the Council which usually extended over matters of working conditions, welfare, suggestions, technical methods improvement etc. was determined by the Board and thus, the contours of its control were firmly laid out.

It is clear that the Cadbury management did not want the Councils to play a decision-making role despite some Directors being its members. Its role was merely advisory, and final decision-making lay with the Board. The hierarchic relationship between the Councils and the Board effectively insulated the Directors on the Council from worker pressures. Despite the subordinate role of the Councils, the management was always anxious to project a consensual image of the Councils by avoiding voting on issues through emphasis on "business interests".

The Shop Committees, as grass root democracy within the company, had visions as elevated as those of the Councils but were always overshadowed by the prominence given to the latter by the

management. As a company document puts it, "...through shop committees, both power and responsibility (in matters lying within the Works Council field) are transmitted outwards and shared among all engaged in the business". But the nature and details of the so-called power were never specified.

The role of the Council, particularly in resolving the bitterness among workers by promoting dialogue in the aftermath of the General strike (1926), wherein some employees did not take part, has been highlighted by Williams (1931). In view of this, it is difficult to accept that the Councils had nothing to do with the union matters. It is fair to observe that the Councils were used to minimise the adverse implications of inter-union conflict on the organisation. The management possibly was reluctant to acknowledge it as such.

The maze of committees and sub-committees of the Councils and other related bodies gave a sense of pride and feeling of being immensely participative- a feeling that did not go away for a long time and turned into a 'historical myth'. The myth making and maintenance went well into the 1960s. The myth created around participation in Cadbury gave the company a certain public image and created a self-perpetuating momentum that persuaded the employees to conform uncritically to it. Till the mid-60s, participation was projected as a part of Cadbury's caring culture and not an instrumental or adaptive mechanism. For the management, it was a sign of healthy industrial relations founded on trust and respect rather than a means of achieving it. That participation strengthened the existing industrial relations was a welcome advantage. But these were beginning to change by the mid-60s.

CONCLUSIONS

The analysis of employee participation in Cadbury from its inception up to the 1960s leads to the following conclusions. The management of Cadbury looked upon participation as an embodiment of paternalistic values that every caring employer should have. It considered participation as a benefit like any other benefit extended to the employees. The management did not want participation to appear to have been unilaterally imposed on management terms. The participation structure was designed as a part of the normal authority and control structure of the business, in order to prevent it from being a centre for decision-making outside the regular management structure.

While professing a unitary image, management was sensitive to conflictual aspects of its relationship with labour. Thus, it was keen to prevent the participation structures being used by unions as an alternative locus of power, and did so by creating a system that was apparently non-adversarial. The power of the participation system was largely illusory where power meant "power of the Director in the Councils" or the "power of the workers to recommend". The system was so broad and general that anything could be presented as a success of the Council system, and indeed this was the case. While appearing to be in tune with environmental trends like Whitleyism, Cadbury management was careful to retain its flexibility and freedom of action.

5.3. THE WINDS OF CHANGE

This section discusses the changes to the participation system in Bournville in the 1960s and the early 70s and the circumstances surrounding the events. By the early sixties, the separate committees of the two Councils had been amalgamated into 10 main

committees comprising both men and women. The management was making contribution towards paying workers' wages lost on account of Council meetings- a departure from the past. The shop steward movement within the factory had grown strong and the management probably was finding it more difficult to manage through old paternalism and emphasis on old consensual unitarism. Still the image of the Councils as formalised paternalism continued. A company document ("Joint Consultation In Bournville, 1963:6) notes,

"One of the chief functions of the Bournville Councils is to form a channel of communication between management and employees and so to provide a substitute for the less formal and more frequent contact between "masters and men" which took place in earlier and simpler phases of industrial organisation".

But the contradictions in management's approach to the Councils were appearing. The above mentioned document (1963:7) noted, "The Councils are actively concerned with many aspects of the running of the factory and the offices and they are much more than merely advisory or consultative bodies". The next paragraph adds, "At every Council meeting information is given on the policy and progress of the business and suggestions can be made or questions asked about these....Nevertheless, the role of the Councils in these matters is consultative and advisory" (emphasis added). The unitarism of this document stressed "common responsibility for industrial relation". It also argued, "The subjects on which joint consultation takes place are in some ways less important than the fact that consultation takes place regularly". Whether the employees accepted this logic is unknown and is unverifiable.

The first major change came in 1963 when the men and the women were brought under a common management structure and consequently, the two Councils were merged. Following the move towards one hundred per cent unionisation in 1969, the Council too was unionised and trade union leaders formally entered the system for the first time in sixty years. How far the total unionisation of the Bournville Council was a direct result of the merger with Schweppes is

difficult to estimate. But a Cadbury-Schweppes document of 1983 indicates that the participation style and substance of Schweppes was essentially different from that of Cadbury at Bournville. In later years, one finds influence of Schweppes over the participation system in Cadbury. It may be noted here that Schweppes had a distinctly adversarial industrial relations style.

The post-merger period saw a number of project teams and working groups about employee relations policy within the Cadbury-Schweppes and its Confectionery Group. One such initiative in 1972 resulted in what was famously and controversially known as the "Pink Paper" - a position paper on Employee Relations Policy. The present Chief Executive of Cadbury-Schweppes, Dominic Cadbury, was a member of the drafting team.

The anomalies and discrepancies in employee relations styles had to be minimised within the Group, and the values of Schweppes and the systems of the old Cadbury had to be meshed together to make a success of the Long-range plan then formulated. One could also see in this document an attempt by the Cadbury management to restate and adjust its style in employee relations in a way consistent with environmental demands without losing its own flexibility or initiative.

The Pink Paper heralded a shift in the Cadbury approach from participation as a "value in itself" to its "value in use". In a nut-shell, the paper advocated participation serving the needs of the business and management structure, suggested breaking down of old structures of consultation and bargaining, promoted the idea of small group and local participation and signalled the particular need to alter Bournville systems. Smith (1987, 1986) has rightly pointed out that the ideas of Pink Paper could not be immediately implemented for a variety of reasons. But one can see in retrospect,

(as will be presented later) that this document has been translated fully into reality. Management has used every change in the organisation as a rationale for further changes in participation structures.

The Pink Paper also throws light on the ideology of Cadbury management (Cadburyism as a malleable and eclectic ideology has been discussed by Smith, Child and Rowlinson, 1990:174 and Smith, 1987:38). It suggested that unitarism was not only a possibility, but a reality and a natural feature of paternalistic family-owned organisations. Labour-management conflict could be resolved meaningfully with reference to the philosophy and objectives of the organisation. Recalling the unitarist Cadbury tradition, it wrote,

"Within the context of a family business, a close identification of employees with the Company and the feeling that they had a real interest in its continued success; a measure of trust by the Company as embodied in the family Board- a trust which was fostered by the involvement of the people in the business who apparently accepted and operated within the 'Cadbury tradition'. In such an organisation, we tend to think of trade unions as an alien source of conflict, disrupting the natural unity of the organisation. We accept their role on negotiating the terms and conditions but beyond this resent their challenge to managerial authority".

So the management saw a very limited role for the unions in a paternalistic organisation where employee participation and consultation had to be direct and not through the trade unions (Beynon and Blackburn, 1972, have referred to early unionism in Cadbury as "company unionism"). The Cadbury management considered unitarism as the basis of effective employee participation. However, it also maintained that such unitarism was affected by business changes such as mergers. The impact of this change was described,

"We are no longer a family business and the concept of profitability and responsibility to the share holders has been brought to the fore- conflicting with the idea that employees shared a common purpose with the Company. Exposure to the realities of being a public company and of fierce competition, the merger, the possibility of takeovers; all accompanied by the weakening of the family involvement in the business has undoubtedly shaken the trust factor mentioned above". (In Pink Paper)

Thus, the unionisation of the participation structure in Cadbury in

1969 may be interpreted as an adaptive management response to a changed business situation in which it was difficult to uphold its ideology of unitarism. However, it continued to hope that the fact of a managerial union in Cadbury would help reduce the "we-they" feeling (i.e. if everybody is unionised, it is a classless society!) and renew the unitarist framework. Its accommodation of unions in the participation arena was still founded on a peculiar unitarist outlook in which pluralism meant (see the Pink Paper) "existence of institutionalised expressions of sectional interest which are not sources of conflict".

5.3.1. THE NEW INITIATIVES: EVENTS OF THE 70s AND THE 80s

The invitation of Lord Watkinson, then Chairman of Cadbury-Schweppes, to the employee representatives in 1973 to discuss financial results of the company with the Board was widely held in Cadbury to have laid the foundation of a new participation structure. A steward-turned-manager said,

"Lord Watkinson had a vision ahead of time and was influenced by the environmental trends in those days. So he thought that if we could have structure of our own in place, it would pre-empt any imposition by legislation. We would have a choice and a system that we wanted. Without a legislation, it still would be a safety valve and help focus attention on business matters".

However, the old Council system had also offered a chance to discuss the financial results with members of the Board and hence, there was nothing materially new in Lord Watkinson's initiative. Further, how far employee-representatives drawn from diverse businesses and sites understood composite results of complex business lines is open to question. As will be seen later, Cadbury management used precisely this argument to do away with the company-wide consultation structure in subsequent years.

These events bring out two points. First, reaffirmation of Cadbury's commitment to participation has taken the shape of the periodic

revival in new forms of existing but dormant aspects of participation. Secondly, the act of participation has been more highlighted than its consequences.

A working party set up during this period to "examine the further evolution of participation in the company" came up with proposals for a participation structure which reflected the business structure and its members were to be elected. This proposal was accepted by the board. Interestingly, a company document about it notes, "The emphasis at divisional and company levels was on electing the right people for the job, irrespective of whether they were management or non-management, skilled or unskilled, men or women". This principle reflected two dominant managerial ideologies. By providing for common representation across status divisions, it was legitimising unitarism (i.e. all interests are identical and common so even managers could represent workers). Moreover, by emphasising "right people", it was facilitating more managerial representation on grounds of their supposed expertise. Thus, it could be viewed as an ideological exercise in restricting actual participation of workers.

Since most employees, including many managers, were unionised, it was unlikely that non-union representatives would be elected to Company Conference, so union membership was not made a condition of such election. It was a departure from the total unionisation of the Bournville structure in 1969 and too could be interpreted as an attempt to revert to a unitary framework. In effect, it meant that while the Works Council at Bournville had only shop stewards as members, the Company Conference was open to all. This echoed the Pink Paper's advocacy of union role only in negotiation.

The new structure received a jolt towards the end of 1974 when the Bournville factory representatives withdrew from the Conference on the ground that Bournville was inadequately represented on it

(Smith, Child and Rowlinson, 1990, consider the Company Conference as the first attempt to reduce the power of the Bournville Council). Until 1977, the Bournville factory went unrepresented on the Conference. This would have been unimaginable in pre-merger days.

The joint submission by the management and the unions of Cadbury to the Bullock Committee was regarded as one of the achievements of the Company Conference. Even though the joint submission created a public image of unity and bonhomie, the content of their submission was an acknowledgement of fundamental and irreconcilable conflict between the two sides (it emphasised union freedom to challenge management decisions- see the Cadbury-Schweppes document titled "Participation in the U.K."). The company argued in favour of legislation to provide only advice and guidance in participation without disturbing the existing satisfactory systems. It again was an example of Cadbury management appearing to go along with environmental trends while preserving its freedom of action in the participation arena.

The Company Conference together with the Liaison Committee (set up in 1976 to improve the effectiveness of Company Conference and improve participation in the Company) were positively related to the developments surrounding the Bullock proposals and, in a way, were intended to pre-empt its fall out. The internal audience of Cadbury was not always impressed or convinced about the company's commitment to participation and the same has been accepted in some company documents. The employee disappointment and dismay over participation in the late 70s found expression in the electrician's agitation and the total work stoppage in 1977. These were unprecedented in Cadbury history and tradition, and part of the issue was non-consultation with workers. The tumultuous events surrounding the five year long-range plan and the investment programme in the late 70s have been well-documented by Smith, Child and Rowlinson (1990) and Smith

(1987). However, the subject needs some reflection here in terms of the changing role of the management in the restructuring of the participation process.

By the late 70s, the management was of the firm view that the Bournville Council was not conducive for the business objectives, rather it obstructed and slowed down the pace of their achievement. These objectives, as Smith et al. (1990: 114) enumerate, included:

"The elimination of labour and intensification of labour power are on top of the list and figure prominently in the company's corporate strategy as well as in the philosophy of key change agents".

Reforming the system was no longer a viable option. So in the late 70s the management had to take a decisive break with the participative system even at the cost of jeopardising its caring image. As one senior manager said, "Unions only talked in participation forums and talked their way out of proposed changes. Management right to change had to be sold at a very high price". In another manager's view, "a unified Council did not fit into the business plans of bifurcating the site". (The Council as an obstruction to decentralisation has been discussed by Smith, Child and Rowlinson, 1990:187).

The consultation structure per se was not obstructive but some powerful stewards within it obstructed aspects of the long-range plan affecting workers' interests. A veteran manager told this researcher,

"The Bournville Council gave a base to the powerful people in the union. There was lot of overlap between shop stewards committee, Works Council and negotiating body. These bodies were all knitted together. The same few key individuals figured in all these which made them all the more powerful. In a way, the attempt to restructure consultation was an attempt to reduce the power of both individuals and institutions for the two cannot be separated.

The legitimacy of the shop stewards or the unions could not be questioned for it had always been accepted by the company. The management could only question the legitimacy of the union in

certain matters; reasserting the hitherto camouflaged belief in the sacrosanct "right to manage".

Limited union legitimacy was an element of the old unitary Cadbury ideology where union was given a demarcated jurisdiction. But in a changed scenario where pluralism had to be accommodated, management had to carve out an enclave for itself through the assertion of right to manage. So the right to manage was management's claim in a pluralistic situation. The Cadbury management, therefore, was faced with the challenge of reconciling the two. Cadbury's unitarism was based on a notion of union leaders being non-employees (the outsiders) and it could not deal with a situation where employees as shop stewards constituted the leadership. Denying their legitimacy, in a way, was questioning the commonality of interest propagated by unitarism. A new institutional and explanatory framework had to be worked out to resolve the contradictions. The Cadbury management finally decided to withdraw from the Bournville Works Council. Sir Adrian described, "The Council was an industry in itself. It did everything else other than making chocolate for the customers".

The participative structure at Bournville passed through a confused time after management withdrawal from the Council. The only remaining channel of communication with the local employees was the senior shop stewards' committee and that too was weakened following company's disciplinary action against some powerful stewards (see details in Smith, Child and Rowlinson:1990 and Smith:1987).

The company-wide consultation structures in the meanwhile were working and so too was the Site Liaison Committee. However, the nature of the latter was controversial: the union leaders considered it a negotiating body whereas the management took it to be partly negotiating and partly consultative, despite its public position to keep the two separate and distinct. Both management and unions took

advantage of overlapping membership of consultative and negotiating bodies to cut across their divide. This has been observed by the ACAS Report of 1978 about Cadbury.

Later in 1979, the elected employee representatives to Divisional Councils and Company Conference decided to press for exclusive shop steward representation on these forums, and for the representation of stewards on the executive management committees at the site and divisional level. Sir Adrian, then Chairman of the Group, rejected the plea for representation on the Divisional Management Boards on the ground that board responsibility would "create a major conflict of interest for the representatives themselves and fundamentally change the nature of Boards" (Sir Adrian indicated his support for a Supervisory Board with workers' representation during his interview with the researcher. But he said that he did not offer it in 1979 in response to the workers' demand because there was no such legal provision for it in the U.K.). The demand that the elected representatives be only shop stewards too was rejected. It may be recalled that Sir Adrian was a staunch advocate of total unionisation in the late sixties (see Smith, 1987:18).

It was ironical that the company which in a joint statement to the Bullock Committee had rejected Board level participation was experiencing the very same demand from workers in 1979 and the management was rejecting it. It demonstrates that the joint submission was a mere exercise in public relations which temporarily masked the underlying tensions. It is thus, clear that the Cadbury management's commitment to workers' participation was only as a value (i.e. a systemic ideology). However, when it came to operationalising the value, the workers were kept out of the specifics of it such as the structure and the issues of participation.

The management attributed the extraordinary power base of certain union leaders to their presence on various bodies, encouraged by the integrated and organic structure of the company and its participation system. The early 80s saw the systematic and planned decentralisation of the company, particularly that of the Bournville site, and the resultant fragmentation of participation structures. Here the business strategy provided the rationale for managerial action in the participation arena. The bifurcation of the consultation structure on Bournville site had negative consequences for union power and sparked off fresh conflict.

The first decade of Cadbury-Schweppes experiment with participation, as per a company document of 1983, facilitated continuous evolution (destruction was probably a part of this evolution) of participation to meet changing needs, informal involvement of employees and appreciation of mutual interest through better communication.

CONCLUSIONS

The events of the 1960s and 70s as analysed above suggest the following conclusions. The growing strength of labour in British society in general, and within Cadbury Limited in particular, was reflected in the unionisation of the participation structure in the late sixties. Cadbury practice in this regard was influenced by its merger with Schweppes. The weakening of welfare paternalism resulted from these changes and managerial actions looked more to the environment for justificatory principles. This brought about an increasing recognition of conflict between management and employee interests. The instrumental nature of participation was accentuated with a playing down of participation as a value in itself.

The participation structure in the 70s was distinctly influenced by the thinking of individual personalities in the management like Lord

Watkinson or Sir Adrian. (The specific influence of various other personalities on the Bournville structure has been discussed by Smith, 1987; Smith, Child and Rowlinson, 1990.) Business matters increasingly guided the course of participation activity during the period and revealed the flexible aspects of Cadbury ideology. Participation as an ingredient of the company's public image, and management flexibility in the participation arena were pursued in the joint submission to the Bullock Committee.

Traditional managerial ideologies (e.g. unitarism, welfarism, paternalism) failed to legitimise the management goals in the long-range plan. Realisation of business objectives required lessening of Council powers and led to the demise of the Bournville Council. This development further weakened the power-base of senior stewards- a process that started with the institution of the Group Conference which too had lessened the importance of the site structures. Explicit exercise of managerial power took place only after attempted persuasion within a unitarist framework failed. More power-centred mechanisms of participation, such as worker directors, were refused. Cadbury management's attitude to steward involvement in the participation structures has varied inversely with the fluctuations in the strength of workers within the British economy.

5.4. PARTICIPATION AT PRESENT: BREAK WITH THE PAST?

This section discusses the participation structure as it exists in Cadbury Limited today (1991-92) and particularly in Bournville. This analysis also refers to various changes that the system underwent through the 1980s.

Cadbury Limited has a two tier system of participation today: a Company Conference and consultative structures on various sites. The Company Conference here refers to the Cadbury Conference only and

not to the Group-wide conference that Cadbury-Schweppes Group used to have. As one senior manager recounted,

"In the early years of merger, the concept was to evolve a common employee relations policy throughout the GroupThis went on for 10 years. But then came a time when top management, particularly Dominic Cadbury, wanted the management of all divisions to be decentralised. He felt, there was no real reason for having common employee relation system within Cadbury and Schweppes.....as the two were not really similar. So at the behest of Dominic, Company Conference was abolished somewhere in mid-1980s".

However, another senior manager attributed the abolition of the Group conference to the business restructuring of the company arising out of Schweppes' merger with Coca Cola, the management buyout of Typhoo foods and the sale of an advertising unit (all of these were part of the Group).

The Cadbury Conference now consists of 30 shop stewards accredited from different operating sites and all the Factory Managers, Personnel Managers and Members of the Board. It meets twice a year for two days each time. The nature of this Conference was described by one manager as "75% presentation and 25% discussion". The Liaison Committee which has been referred to in 5.3.1., functions as the standing executive arm of the Conference and deals with matters like the venue, date, agenda and other administrative details. This Committee (currently having 11 elected senior stewards) meets about two to three times a year. The highly contentious issues are referred by the Conference to the Committee for detailed discussion. There is no longer a Site Liaison Committee at Bournville. (The present participation structure at Cadbury and Bournville is pictured in Figure 2 and 3 respectively).

By the early 1980s, the Bournville site was becoming divided into two separate entities with separate bargaining structures- the Moulded and the Assortments Factory. The management started treating the two as separate businesses for all practical purposes allowing structures of participation to grow separately in the two factories.

Figure 2
Participation Structure in Cadbury Limited

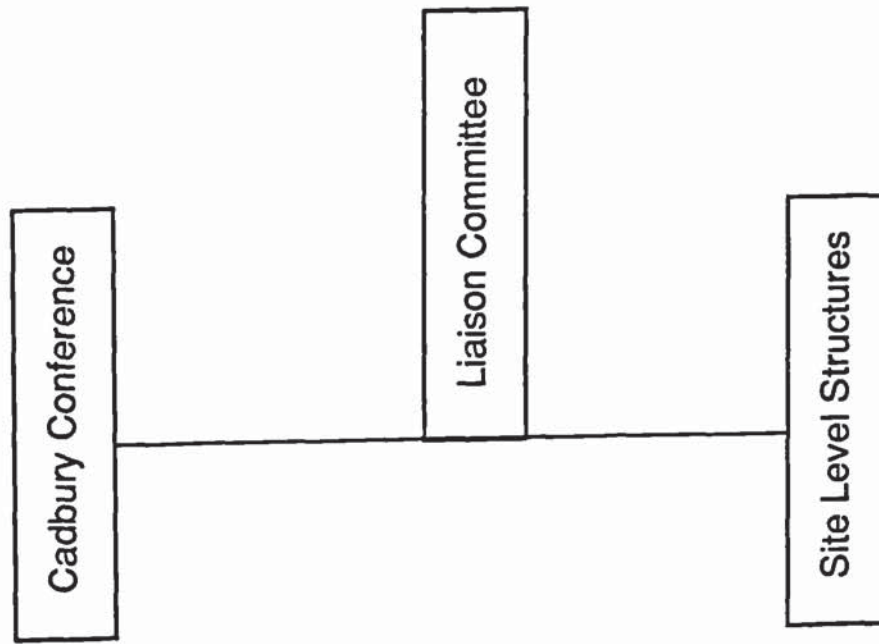
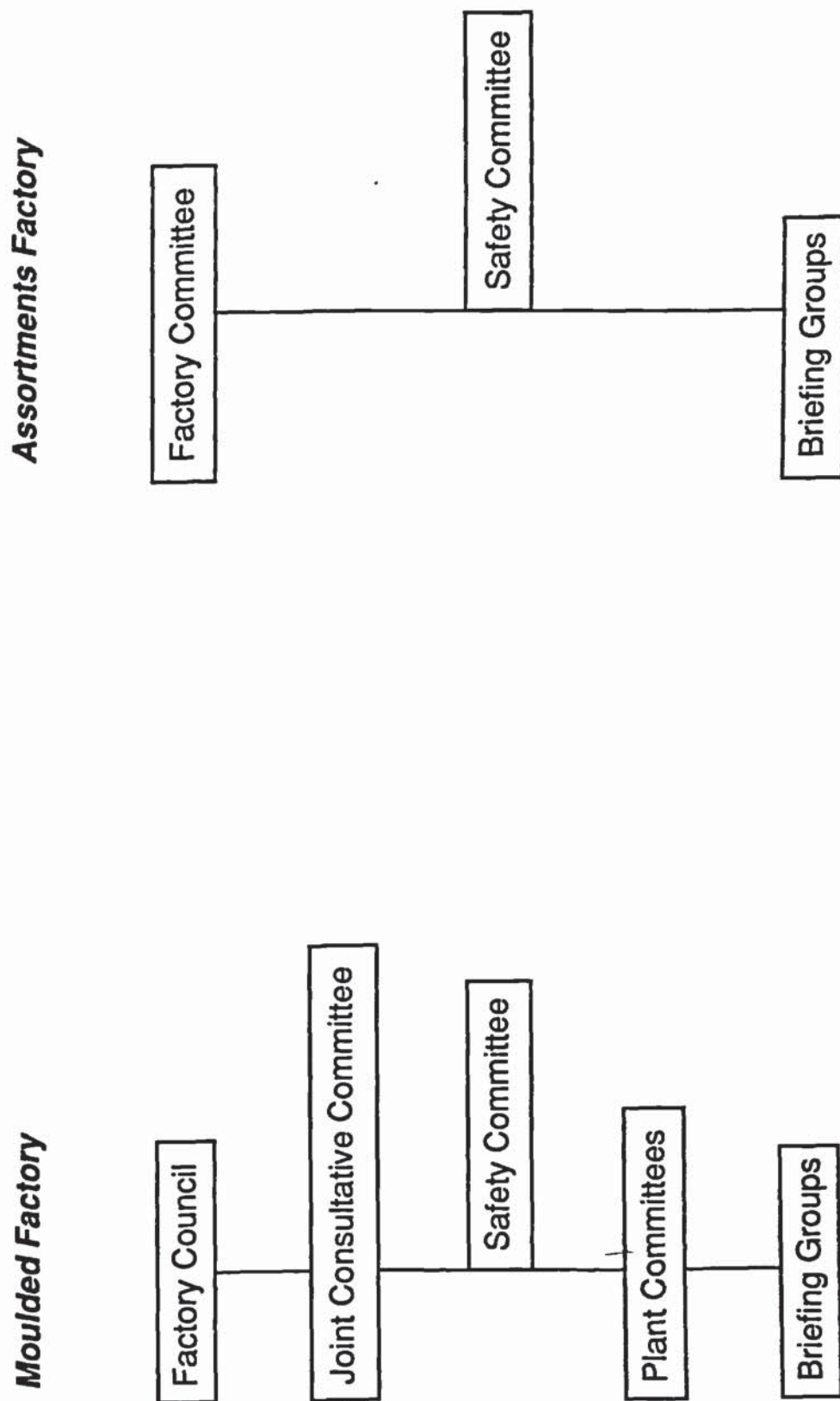


Figure 3
Participation Structure at Bournville



Various internal company documents of 1983 argue that new participation structures should follow the revised management structures.

In various discussions and documents about participation, the management of the time carefully emphasised that the growth of participation structures in no way took away the management "right to manage". Sir Adrian was a strong protagonist of this view. This meant that participation was a charitable extension of benefits on management terms. It may be noted that the unions during this period were trying to revive a "site structure" for the whole of Bournville. The management was against it as it did not want anything like the old Councils. It was also careful to keep the site related issues out of the factory participative structures. The present participation system in the two factories has to be understood in terms of this background. It may be noted here that during this period, the number of bargaining units were being reduced on the ground that there were too many, while participation structures at Bournville were being multiplied in name of decentralisation. Both the moves were based on management perception of what was more conducive for its control (some of the managers interviewed, emphasised this strategic aspect of the changes).

The Moulded factory- which was initially reluctant to have formal participation structures- today has a more formalised system than the Assortments factory which in the early 80s went the other way. Today, the main policy-making body of the Moulded factory is the Factory Management Committee (FMC)- a pure management body. The apex consultative body is the Factory Council consisting of the three convenors and three leading members of the FMC- the Factory Manager, the Manufacturing Manager and the Personnel Manager. There is also the Joint Consultative Committee (JCC) with all the stewards, the Personnel Manager and the Manufacturing Manager as its members. The

issues unresolved at the JCC go to the Factory Council and both meet bi-monthly. There are Plant Committees as well where the Plant Manager and the Line Managers meet local stewards monthly. The Safety Committee discusses the operational details and problems of safety. Briefing Groups are at the bottom of this structure which is distinctly hierarchic like the old participation structure.

In 1982, the management and union discussions envisaged a three tier structure of participation for the Assortments factory with Briefing Groups at the bottom, above it the Departmental Committees and the Assortment Factory Council at the apex . The latter two were meant to be completely unionised structures. This design combined the union-based and non-union consultation in contrast to the earlier Bournville systems where participation used to be either fully unionised or totally non-unionised.

The Assortments Factory also had a Factory Management Advisory Committee (FAC) which was supposed to meet "as required on an informal basis" to discuss "future strategy and policy decisions affecting the factory". The composition of the Factory Council and the FAC being the same, the duplication was possibly intentional though hardly anyone remembers it today. Company documents seem to suggest that the management wanted an informal structure for the initial discussion of some matters and to legitimise any subsequent managerial action in terms of such discussion. The idea of a FAC was originally mooted by the ACAS Report of 1978 which wanted it to be a bridge between the Factory Management Committee and the Factory Council.

The consultation structure as designed in 1982, seems to have lasted till the late 80s when it went into disuse due to several conflicts between unions and the factory management, particularly about seasonal loss of employment in Assortments. Presently, the

Assortment factory has the Assortments Factory Committee which is the main negotiating body, the Safety Committee and there are the Briefing Groups. There is no other structure at the departmental level though the managers hold informal talks with stewards which are considered a kind of consultation.

The differing participation structures of the two factories were explained by some managers in terms of their cultural differences arising out of the divergent styles of the respective Factory Managers. Others attributed it to the very differences in the nature of the two factories- Moulded as a large volume factory with stable workforce and Assortment with seasonal pressures on production and high level of temporary employees.

The present system in the two factories is strikingly different from the old Bournville system in many respects. Participation in the post-merger and the post-1978 periods has developed based more on strategies and personalities than values or philosophy or ideology. The post-1978 structure was designed to ensure that it did not become a source of power for union leaders. The present system accommodates both union and non-union based direct consultation and follows the changes in business. Comparing the two periods, the manager in charge of reconstruction of participation in the 80s said, " After 1978, there was no site consultation structure, the extent and quality of consultation was poorer, consultative structure and leaders were weaker". A veteran manager of the Moulded factory commented,

"The old Council was a very weighty body with senior members from both sides. But the present Factory Council is very lean and is able to deal with Moulded factory problems more effectively without getting distracted about issues that pertain to other factories".

But it is clear that power considerations had precedence over old Cadbury philosophy, values and tradition in designing the participation system. The ideological premises of the management had

moved from unity of interests to the idea of right to manage. Participation has never been allowed within the existing power structures like the Factory Management Committees or the Board, but only in a secondary structure- running almost parallel to the main power structure- even though the management representatives on both are the same.

Because of the long history of participation and its structural spread within the company, it is difficult to find a manager who never was a part of any participative forum. Some attributed their involvement with particular forums to their role in the company e.g. as manufacturing manager or plant manager etc. For others, it was an immutable convention, "Plant Managers have always been a part of it and so I had to be". But involvement with participation process was seen as part of being a 'manager'. One manager said, "When you become a part of management, your involvement with participation comes automatically".

5.5. PURPOSES OF PARTICIPATION: ORGANISATIONAL AND INDIVIDUAL

Since managerial action in the participation arena can be adequately analysed only with explicit understanding of the purposes for which participation is used, this section examines the purposes of participation in Cadbury as enumerated in company statements, the managerial understanding of these purposes, and the ends actually sought at more individual level. The data about the latter two aspects is based on the researcher's interview with the managers. The section also analyses the managerial criteria for evaluating the success of participation, and its use under different circumstances.

5.5.1. ORGANISATIONAL PURPOSES OF PARTICIPATION

Cadbury has from time to time articulated the objectives and purposes of its participation system through various pronouncements from top management- usually the Chairman or the Managing Director. In a message to a document on participation (date unknown, probably early 80s) Sir Adrian wrote,

"I... strongly support participation within the company because I believe that decisions will be improved by drawing on the knowledge and experience of all those involved.....Participation aims to involve people in the decision-making process. It does not mean that we shall have collective decisions on everything or that the final accountability of management qualified by training and experience will any way be reduced". (Emphasis added).

In another document, "The Character Of The Company" (mid-1980), he further wrote,

"I believe in an open style of management and in involving people in the decisions which affect them, because it is right to do so and because it helps to bring individual and company goals together". (Emphasis added)

In a third document, Sir Adrian describes the specific objectives of participation as

"to improve performance and productivity, and results of which are essential to the long term continuity of the enterprise and the interests of all who work in it; to provide employees with the opportunity to influence and be involved in decisions that affect them; to harness skills and experience available at the place of work; finally, to improve the quality of working life and the satisfaction obtained from work". (Emphasis added).

Sir Adrian told the researcher,

"There are whole range of issues that are not bargained but are wider issues of importance. So all matters cannot be discussed with the union alone- for example, what are the sales prospects, how can we improve upon them, why R&D, why investment. These are issues important to people and we ought to consult them. You cannot bargain about Five Year Plans with unions. So you need two channels preferably with the same people".

The preface to the Bournville Council constitution recorded its first duty as,

"to encourage and establish good relations and mutual trust between non-management and management and to foster and maintain a spirit of co-operation, thus promoting the welfare and prosperity of the Bournville community". (Added emphasis).

The purposes as articulated above reflect a mix of unitarist and

pluralist stances, affirmation of ideologies of unity of interest, management expertise, right to manage as well as moral value judgements. The purpose of participation from the top management perspective has a decisively unitarist bias:

"We are trying to generate a sense of responsibility, explain and justify the decisions we take, to give them a broader perspective than the typical perspective they would get and to think through the things that we have to do to survive in business and which in the short term, rather may not be to their interest. It is an attempt to get their support for various company plans for competitiveness. We hope they would appreciate that good performance is the key to employment security". (Interview with a manager involved with policy-making.)

The organisational purposes of participation as seen by the managers can be classified into prosperity, unification, information, change and affective purposes- usually in that order. The prosperity purposes are the more direct and quantifiable ones like productivity increase, less defects, waste reduction and the kind. The Manufacturing Excellence Programme (MEP) of the Moulded factory is a creation of this purpose. One manager said, "Customer satisfaction as a goal can be achieved through better employee performance which is ensured by participation". Stewards also referred to business goals of quality and efficiency sought by managers through participation.

The unification purposes seek to harmonise management's and employees' goals. Through participation, legitimacy of management goals is sought to be established by indicating its congruence with employee-interest and by pointing out the supposed conflict between union goal and employees' goals. A senior Employee Relations Manager argued,

"If you are an employee representative involved in participation system, you are a union representative too. The two always do not work together. They are in our company always the same person. So often they have a conflict of role".

For some, the bifurcation of Bournville site was founded on the belief that decentralisation brings management and employees' goals

closer and sharpens the conflict between unions' and employees' goals. This unity is sought to be accentuated by giving opportunity to employees to air their views on several subjects and by sharing with them responsibilities in matters like safety.

The information purposes have dual import- they disseminate information and elicit feed-back. The feed-back serves as an early warning for management about how their decisions and communications are being received by the workers. Participation is widely used by the management to reduce areas of conflict and bring about changes like introduction of technology with workers' support. Finally, the affective purposes seek greater loyalty and commitment amongst the workforce for the company and its managerially determined goals.

The distinction between these purposes of participation are not definitive- each relies on some of the others and in turn, reinforces them. However, in Cadbury, some purposes predominate at certain levels and in certain forums. The prosperity purposes dominate the shopfloor level participation. Unification of interests is sought at the higher level forums- the Cadbury Conference, Liaison Committee or to some extent, in the Factory Council. About the Cadbury Conference, a manager said, "It updates senior representatives from time to time about the business situation and thereby, positively influences them and gets their support for the direction of the business". Information purposes and changes in objectives are pursued through all the levels of the participation structure. But the affective aims are again targeted at the lowest level of the organisation.

Quaker ethics of care and concern for workers was stressed as the original source of participation in Bournville (see also Child, 1964:304). A senior manager, new to the company, observed, "There are couple of philosophical issues involved here. As it is our

responsibility to give our workers medical facilities, rest pauses, so is our responsibility to involve them". But no one was sure how exactly it related to the Quaker ethics, revealing the strength of the prevailing myth and the company literature. Smith (1987:40) has succinctly observed, "Company ideology is not maintained by explicit indoctrination, but staid practice, re-constructed histories and continuity of employment experience within the locality".

Senior managers did not discount the environmental factors like growth of strong trade unions, national political interest in participation and likelihood of government intervention contributing to its growth. A senior manager said,

"Participation has been an evolution out of heritage and pressure. Its nature has changed over time.....Today participation is more utilitarian, instrumental or expedient than based on Quaker ethics".

For managers at Bournville, the organisational approach to participation, in the last two decades, has moved from belief and moral considerations to more instrumental and opportunistic orientations. As a steward-turned-manager said, "I am not ashamed of selling participation as if I believe in it even if it actually serves some purpose of mine".

5.5.2. PURPOSES OF PARTICIPATION AT INDIVIDUAL LEVEL

What the individual managers try to achieve through participation and how that relates to the organisational purposes will now be examined. Managers mostly indicated their willingness, for a variety of reasons, to be involved with participation process even without organisational compulsion. The reasons in most cases were instrumental, such as promoting better employee relations. A personnel manager said, "In some functions, it would be nice to know how people feel about the company, how they identify with it or the management concerns. But in my job, it is crucial for me to know it".

It was also considered on pragmatic grounds that participation was necessary since a manager could not always run things dictatorially. All the talk of participative style and values, has not prevented the Cadbury management from acting unilaterally in a number of issues or from asserting its right to manage, when necessary. Thus, for managers in Cadbury, participation has been a complementary form of managing to authoritarian/unilateral style rather than a negation of it, as commonly understood in management theory. It can be said that the overall emphasis on participation legitimises the exercise of 'the right to manage' in some crucial decisions.

In the value judgement of some managers, participation is a principle of "good management". Thus, their objectives are highly individual and personalised as trying to gain respect of employees that at least, a manager listens to them". First-line managers in Bournville use participation forums for communication of simple information and problem-solving by explaining a decision, discussing it or influencing opinion. A Shift Manager said,

"Through these forums, the workers understand our limitations and we understand the restrictions under which they work which we have put on them. It helps run the department smoothly and facilitates change without much resistance".

The Moulded Personnel manager said,

"The Factory Manager uses the JC to sell and tell his ideas and actions...The stewards use it for all their moaning....It is in a way important that the stewards go away with the feeling that they had their say, they got a hearing and they carry that message to their membership. As a result, business would carry on as usual and the more petty issues will be under control at the local level".

This description reveals that at more individual level, managers are less guided by participation as a value based progressive idea (more pronounced in top management views). Rather, the company purposes are freely interpreted by managers down the hierarchy to meet their local needs. This difference was voiced by a junior manager,

"Senior management give their reason (for having participation) as that they want to be communicating with the shopfloor, they want to be seen as a caring company. In my view, if you have

good relations with people, you get good feed-back. That is helpful".

The pressures for achieving results and meeting targets induce managers to indulge in tell and sell. Doing it over a period of time, they believe that they are being participative. As a manager from Assortments said,

"At the shopfloor level- where we get the participation most- the achievement is better efficiency....In other higher forums like the AFC or Cadbury Conference a lot of it is communication. My belief is the higher you go in participation tree, a lot of effect is indirect".

However, the indirect benefits (e.g. acceptance of managerial goals by the union) are the basis of more direct benefits like productivity or efficiency (called prosperity purposes by this researcher). Thus, it explains Cadbury's persistence with both higher and lower level participation forums. But the local level activities have intensified lately.

5.5.3. CRITERIA FOR EVALUATING PARTICIPATION

The criteria adopted by managers to evaluate the success or failure of participation can reveal their orientation to participation and how far stated organisational purposes are actually pursued and achieved. No systematic evaluation of participation has ever been carried out by the management of Cadbury. In their impressionistic evaluations, managers rely on too broad criteria like profitability or number of strikes or on too narrow criteria i.e. individual manager's success or failure in achieving staffing reduction on a machine.

This mixed bag of criteria gives the managers flexibility to construct their own interpretation. They used those criteria that are most likely to present a favourable picture of Cadbury's participation. They mostly chose industrial relations aspects like strikes, disputes, loss of production etc. as their criteria, and Cadbury's record in this area is relatively impressive. In such

evaluation, the utility of quantitative measures like performance indicators were generally doubted. Nevertheless, these were relied upon where appropriate examples were available, such as the achievements of the MEP.

Where managerial objectives are achieved without much employee or union resistance, without overt conflict and with employee relations relatively undisturbed, there the participation structure is seen as alive, effective, purposeful and managers are full of praise and respect for it (e.g. the Moulded factory). The reverse was noticed in the Assortments factory where the formal participation process fell into disuse sometime back (reasons discussed earlier). A contented Personnel Manager of Moulded factory said,

"If you take the MEP and the employee involvement in it, the participation has been a success. If you take the financial result which is the bottom line, it shows, at least in the short run. The other area for judging it would be discipline and control. If you adopt a hearts and minds approach, of course you persuade people to be disciplined and tow the party line without being rigid or dictatorial. There, too, it has been a success".

The contrasting view came from a senior Assortment manager,

"I am not against talking to the stewards for they are also workers but I am against 'talking shops'. Yesterday, I went to a Safety Committee meeting which was very adversarial where the management sat on one side and the safety representatives on the other. They threw grenades and we had to defend management position. That is what I call a waste of time. You don't solve any problems in these meetings but you only pass the blame".

Another manager from Assortments remarked,

"In Assortments, it is not successful; in Moulded it is. In Assortments factory, the non-management do not trust the management. There is a traditional void between 'them and us' - the rule breaker and the rule maker. The desires of the two groups are very different in the Assortments, whereas there is synergy in Moulded".

A shift manager from Assortments considered the inability of the management to implement the new Cleaning Schedule because of union intervention as a failure of participation. Whether participation is a sufficient pre-condition of peaceful employee relation is debatable. However, on evidence from Bournville, it can be said that peaceful industrial relations generates a sense of satisfaction

amongst managers about the participation system. It may be recalled that in the late 70s, when the industrial relations at Bournville lost its traditional calm, the Bournville Council was found to be unsatisfactory and was abolished.

Managers were found predominantly using unitarist criteria for such evaluation. Sir Adrian elaborated on one of his old ideas,

"What matters is: Does participation contribute to the feeling among ordinary people that they can contribute to the development of the business...On the other side, does it help to provide better service to our customers? These are the two practical tests of participation".

As one manager put it, "Success of it is in whether you could walk around the company and talk to people who understand what the company is about and what are its objectives". Another manager from the Moulded factory said,

"Understanding and clarity of the issues amongst all parties....It is a failure of consultation when the unions do not fully share the goals and the aspirations of the management. That is the situation in Cadbury".

In the Moulded factory, where the consultation structures are entrenched and working, and industrial relations is more cordial, managers used more broad and unitarist criteria for such evaluation.

The Assortments factory, where the formal system is rather sketchy and the industrial relation is more blustery, the managers used more individualistic criterion. A key manager of Assortments put it,

"Criteria of success of joint consultation would be different for different people. From my perspective, it is a success when I get what I want. I would say it works if it works for me. If it enables me to achieve my ends, it is successful".

Asked how an outsider could evaluate the process, the same manager turned to a more unitarist framework,

"For an outsider, the criteria would be a) Is there a common understanding of where the organisation is and where it is going? b) Are there fewer demarcations along 'them and us' and fewer splinter groups? If I ask an operator, a shift manager and a corporate manager why is the company trying for 4% of market share and if I get consensus, then it is a success".

One of the explicit purposes of participation for the Cadbury

management (discussed in 5.5.1.) has been "giving workers a say in the decision-making". But this did not figure at all in the criteria of evaluation listed by the managers. The overall opinion pointed to moderate success of participation in the whole company. One manager said, "Cadbury Conference and Liaison are only symbols. One has to see what goes on underneath it". A convenor sarcastically said, "We hear what we are told. That is success". Another convenor said,

"The whole of consultation is geared towards management benefit; the day it ceases to be so, they will abolish it. We, at best, have occasionally managed to use consultation to embarrass the management. That is what happened about payment of profit sharing bonus to the temporaries".

Comparison between the purposes and evaluation criteria for participation reveals a consistent pattern. The evaluation criteria follow the same order of prosperity, unification and the rest, with the only exception that change criteria seem to precede information in evaluation. The only explanation for it can be that it is easier to demonstrate achievements in areas of change and conflict containment than in information dissemination. However, the affective purposes of participation like building trust, loyalty and commitment, did not figure in evaluation, confirming that the management concern was more with tangible direct benefits than the indirect and ethereal ones.

Despite their unitarist public postures, the managers mostly viewed the transactions in the participative forums as conflictual. Such transactions were mostly expressed in the following forms. "They are always pulling against each other"; "They see the same things from different perspectives. If they did not see that way, they could all be either management or stewards"; "in a majority of cases we are trying to achieve different things but some have common ground"; "They may not admit it, but both the parties are trying for different things. They may not realise it"; "We are doing both same and different things" or "Both the parties are trying to achieve same or different things depending on time and circumstance"; and "I

think people have got their own agendas. Some managers and some stewards try to manipulate the process to their ends and pay lip service to the process". It is apparent that the top management philosophy of participation has no significant bearing on the individual manager's understanding, objectives or perception of transactions in the participation arena.

5.5.4. TIME ORIENTATION OF PARTICIPATION

The constancy of purpose can be derived from the consistency in use of participation. In Cadbury, the extent of use of various forums for different purposes and the timing of such use have widely varied. Also, the emphasis between various purposes shifts with time and pressure of circumstances. Ramsay (1977, 1980, 1982, 1986, 1990) analysed how participation is used by management as a coping mechanism to negotiate various pressures. However, Ramsay's analysis has a macro outlook and he himself is doubtful about its applicability for specific organisational conditions.

Ramsay's conceptualisation of success, triviality, instability and change of committee status proved inadequate in describing the situation at Cadbury. Even though the management of Cadbury have always publicly projected their participation system as a success, the managers at Bournville, as discussed in the previous pages, are divided on it. The events of the past and present as well as the views of employee representatives do not bear it out either.

Trivialisation would be an inaccurate description of participation at Bournville (or Cadbury) as a whole. Maybe there were brief periods or pockets of trivialisation like the Group Committees or the Factory Management Advisory Committee. But these were created trivial rather than becoming trivial. It is not clear from Ramsay's analysis if he accepts the possibility of temporary or partial

trivialisation. Barring the events of 1978 or the falling into disuse of formal structure in the Assortments factory, there is no evidence of any instability with the participation system at Bournville. There is accusation from both sides (even recorded in ACAS report of 1978) that often negotiable issues are raised in participation forums but that does not amount to change in the committee status as both the parties, for different reasons, insist on separation of negotiation and consultation (at least in principle).

Participation in Cadbury has been a mixture of success, trivialisation, instability and change in committee status. Moreover, every period of instability has been followed by a brief period of trivialisation and even briefer period of change in the committee status before new forms emerging with old spirit. The Cadbury management has been a prisoner of self-created value about participation. Hence, any public perception of instability (even trivialisation) in it is seen as a management failure in the same way as they will look upon their failure to sell chocolate. Participation as a strategy has moved along with the business requirements and the management has often changed its design to keep it consistent with managerial ends.

There is evidence, however, that Cadbury management have relied on the participation mechanism more in times of difficulty than at times of relative ease- a subject and support for Ramsay's cycles interpretation. Many managers identified these times of difficulty as either externally imposed like recession, stiffer competition, lower sales or as outcomes of strategic internal plan like capitalisation or long-range plans leading to slimming in workforce, enlargement of responsibility or closing a line of business etc. In case of external pressures, participation is used more as a means of seeking employees co-operation for management strategies and to

generate ideas from them. A manager recounted,

"When test marketing of Wispa proved it to be a hit product, we spent 25 million on its promotion which was high by industry standards. It did well but then it nose-dived. It was a crisis because Wispa started with lot of hype, best people were brought there. But then from 20 thousand tons, it dropped to 4-5 thousand tons. There was consultation almost daily".

But in case of management initiated actions, the participation forums are used more as cathartic devices. As one manager said,

"There are times- like laying off temporaries- when participation is used to take away anger. Every room has temporary workers who are hoping for confirmation after two years but in the 18 or 19 months of service you are laid off. That angers people. When you consult people, you take lot of that violence away than when you hand them over a letter saying that from next week, you are laid off".

But this consultation is never about the numbers to be laid off, it is at the best about the timing of the lay-off. Wage negotiations and radical changes in work practices were cited as other critical times of consultation. A manager remarked,

"Extent of consultation has a relation to the state of business, problems of performance or threat to the company. When times are hard you increase discussions and meetings".

CONCLUSIONS

The analysis in section 5.5. leads to the following conclusions. The organisational purposes of participation in Cadbury as enumerated by the top management involve fusion of various ideological stances and value considerations. But at a more individual level, the managers down the line interpret the organisational purposes in more instrumental terms. The use of participation gets more individualised to meet local needs. Similarly, the success of participation is also defined in instrumental terms and attitude towards it is shaped by such success. There is very little conscious attempt by the management to bring together the individual and organisational purposes of participation. The use of participation has been related to the pressures on management and one finds pockets of success, triviality, instability and change in committee status in Cadbury.

5.6. LEVELS AND ISSUES OF PARTICIPATION IN CADBURY

This section examines how the levels and issues of participation in Cadbury are decided and if the management action in this regard follows any pattern. It also discusses the nature of prior consultation and unilateral management action in Cadbury and the management response to workers' desires (or demands) for participation at certain levels and in certain issues. Existing research accounts do not clarify whether participation forums tied to levels of organisational hierarchy automatically acquire jurisdiction over executive matters at that level and to what extent. The participation structure at Cadbury has always been layered, mirroring the company business hierarchy. However, the creation, continuance and cessation of forums at various levels have been based on management reasoning only, without reference to employee opinion. Often contradictory logic has been used to retain or discontinue various forums.

Like the Company Conference, the Site Liaison Committee (referred to in 5.3.1.) was discontinued on the grounds that the Assortment and the Moulded factory had little in common and shared very few site services. But the Cadbury Conference was persisted with because management felt co-ordination was necessary and possible between different factories of Cadbury Limited. However, the management has always avoided bringing together the entire Confectionery stream of Cadbury-Schweppes. A union convenor told the researcher that the unions wanted representation on the Cadbury Conference for all the units (in Confectionery stream) between which production could be switched. Also, the Shop Committees were abolished ignoring the union opposition. The management argument was that the reorganised union structure rendered the shop committees superfluous and unnecessary. One manager mentioned the possibility of the terms of reference of the participation structures changing every year to

reflect the realities of business.

Most managers interviewed neither favoured the idea of a worker director nor saw its possibility in Cadbury for lack of top management support. Despite the claims about progressiveness of Cadbury, the managers displayed traditional attitude and suspicion about the employees and their representatives. Even managers from the Moulded factory, which claims successes in participation, did not have confidence in the "workers' (unions') ability and willingness to identify with the company and their competence in doing the job of director". In all such cases, managerial ideology can distinctly be said to be counter-acting the systemic ideology in Cadbury. Many managers argued that "nobody wants to be a worker director". But some senior union representatives were willing to try it out in the 70s and are even now. Thus, an awareness of pluralist conflict was underlying managerial protestations of unitarism.

5.6.1. EXCLUSIVE MANAGEMENT JURISDICTION AND MATTERS OF PRIOR CONSULTATION

The managers at Bournville were at their quickest in enumerating the exclusive jurisdiction of Cadbury management. They took much longer to list subjects of prior consultation, and they were unable to identify any areas of workers' control. Many wondered aloud if complete worker control over any organisational decision is realistically possible without any managerial input. Exclusive areas of unilateral management decision-making in Cadbury were listed as spending decisions; new product launch; selection of people, dismissals; budgeting; marketing strategy; major investment and divestment; what to produce, how to produce and how much to produce; and business plans.

Matters on which workers are consulted prior to the decision- making

were said to include waste reduction, productivity improvement, amenities, cleaning schedule, matters concerning the physical work environment, some matters of the pension fund, installation of plant and machinery, work design, shift patterns, hours of work etc. Prior consultation involved more of problem-solving and idea generation for managerial purposes than accommodation of workers' interest or views. A manager who has worked in both the factories said,

"In Moulded factory lots of prior consultation is done under the MEP. Solutions for problems come from workers. About Smoking Policy, we had consultations with all. But that is all that I can come up with. I don't think we consult often before acting".

The stewards reported a wide range of issues on which there was no consultation even though those directly affected the workers. One often repeated example was the management withdrawal (by serving 90 days notice) of workers' choice to go for either sharing a percentage of Group's profit or that of Cadbury Limited profit. They were forced to accept only a percentage share of Cadbury Limited profits (its significance has been discussed in 9.1.4.). Managers were hesitant about prior consultation as the process was considered tortuous though its outcome was invariably deemed helpful. Prior consultation, it was held, could both be a help and a hindrance.

It was discovered that managers in Cadbury avoided prior consultation in matters which are of very high significance to the business, such as capitalisation and matters of direct interest to workers, like expenditure on amenities. Middle range issues were subjects of prior consultation. The Employee Relations Manager of one factory said,

"If I consult about planned productivity increase through capital investment which would need no additional effort by workers, I will be facing a wage demand which would both be unfair and negative for productivity. It may stall the investment plan itself".

In retrospect, it is meaningful that the abolition of the Bournville Council coincided with high capital investment by the company. Other stated reasons of avoiding consultation included fear of raising

unsustainable expectations, fear of rumour mongering and the excessive managerial time that it demands. Imposition of changes affecting workers but unacceptable to them, and consultation after deciding on a course of action, were reported as usual modus operandi. One manager commented, "If you take consultation as taking part in decision-making, there is very little of that. But there is a lot of communication". Awareness was said to get preparedness for change and prior consultation in that respect was a good early warning system.

Managers widely differed about actual matters of consultation. The laying off of 250 temporary workers in Assortments in September 1991 was, for a plant manager of the factory, an exclusive decision of the management. In contrast, a shift manager of the same factory said,

"In laying off the temporaries, the management went through the proper channel. Bosses informed us and then had meetings with the convenors. What went on at the meeting, whether they failed to agree, is not known. But we informed stewards in every plant and they were involved".

The 450 redundancies announced by Cadbury (350 at Bournville) on the 1st October of 1992 was widely reported in the media as without consultation. There is a classic confusion in the minds of many managers, particularly the junior managers about what constitutes participation and it is often equated with passing of information. A key manager of the Moulded factory said,

"I am hard put to think where we do not consult them. We consult but we may not agree. Last year we changed the Employee Rule Book, union did not agree to it but we went ahead with it..... Next year we want to replace an old and less efficient Moulding Plant with one that has four times more capacity. We want to reduce numbers so that it can be done realistically. We have already told the convenors what we want to do and why. In commercial decisions, management have an upper hand and when costs are involved there is less consultation. We consult when no costs or less costs are involved or there is a choice situation. Otherwise, consultation is telling them what we are doing and why".

Many long serving managers lament the limited opportunity for experienced workers to contribute their expertise. With greater

mechanisation, the scope for the workers to influence their work process, pace and content is further decreasing.

5.6.2. MANAGERIAL WILLINGNESS AND RESISTANCE TO PARTICIPATION

Most managers claimed that they welcome their subordinates to participate (mostly meaning suggestion and ideas) in all areas within their responsibility and that very few areas were closed to them. They resented stewards' suspicion of all new managerial initiatives, and the former's reluctance to go along with it was interpreted as their irresponsibility and unwillingness to participate. As the stewards explained, the management usually wanted their involvement with new initiatives on quality or productivity which ultimately meant either the intensification of workers' efforts or sacrifices like job losses.

Managerial reluctance to involve employees was evident with regard to matters like discipline, promotions, movement of labour, spending decisions or production matters. This reluctance was rationalised by some managers on the grounds of sacrosanct nature of the right to manage in certain areas arising from management's responsibility to run the business. Even two junior managers looked upon their job in terms of having "a business to run". A manager remarked, "We have discipline procedure. If we go through that properly, we have a right to discipline people and the Convenor should not interfere. That is what I call right to manage". Unions' unwillingness to back managerial vision of "company interest" was put forward as other reason for keeping some marketing and investment decisions out of the participation arena.

The unitarism of Cadbury regards that whatever is in company interest is in the employees' interest, but all that is in employees interest is not necessarily in the company's interest. Even though

some managers suggested lack of training and expertise as reasons of keeping some decisions out of the participation arena, they were prepared to overlook this deficiency and allow workers' participation if the unions and employees were ready to accept managerial definitions of company interest.

Managers solicited worker participation in health, hygiene, efficiency, quality, absence control, plant performance and in "matters that affected workers directly". They did not specify those "matters", rather, the matters they listed (given above) affected the management and the business more than it ever did the workers.

It was interesting to find that almost all managers considered very few areas of their responsibility as no-go areas for employees. Rather, many of them said that none of their functions were closed to the workers. However, in response to an earlier question, they all had listed many matters exclusive to management jurisdiction. One explanation for it could be that the managers, in their individual capacity, did not want to appear resistant to participation, but found it easier to articulate the reality as part of a collective body (a class or a group) called "the management".

5.6.3. JUSTIFICATIONS FOR NON-CONSULTATION

Most junior managers stated that they never failed to consult with the stewards. Considering their limited decisional role, such a perception is understandable. Moreover, their notion of participation, as noted earlier, usually involves telling the workers about various managerial decision. But many middle and senior managers at Bournville recounted situations of non-consultation about decisions they implemented. These decisions, they said, had come from their superiors and they themselves had very little control over those. Thus, the managerial hierarchy serves as

a justification for non-consultation.

This non-consultation is justified by the managers on several grounds. One common reason given is the need for managerial expertise (and the lack of it with the workers) and availability of more information with the managers. One manager explained, "Decision-making requires skill and training. Managers have that, so their decisions are the best decisions, if not the right ones". This in a way meant that ineffectiveness of a particular decision is not necessarily a reflection on managerial expertise and their right to make such decisions. Pressures of external circumstances, the need for speedy response, business considerations and, occasionally, top management policy were put forward as other reasons for non-consultation. A senior manager said,

"Sometimes top management imposes on us budgets, cost reductions etc. which we consult with the representatives about how best to achieve. But we have to achieve it, consultation or no consultation".

Sometimes non-consultation is also founded on a paternalistic view of workers' interests:

"We (Moulded factory) employ 70 temporary workers which the permanent workers have always been against. But I argue that temporaries provide security of employment to our core employees. With the restructuring of management next year, jobs have to go and then the temporaries can go".

Giving example of how ambiguity leads to non-consultation, a manufacturing manager said,

"There are occasions when the top management fails to communicate with the union and there are problems. We have increasingly replaced our own cleaners with contract cleaners. When we put up a new Moulding Plant, the manager concerned put contract cleaners instead of departmental cleaners to which the union objected. We had an understanding that as and when the existing cleaners retire or move away, they were to be replaced with contract cleaners. The union did not see a new plant in that category".

Many such oral understanding with unions are used as excuses for non-consultation in specific cases.

5.6.4. DEMANDS FOR PARTICIPATION FROM WORKERS

The managers at Bournville demonstrated awareness of the workers' aspirations and preferences for participation though some were cynical about it. One of them said, "If you ask people if they would like to participate, they would say 'yes' even without knowing why". They listed a number of items where, in their view, the workers wanted more participation and these included staffing level, lay-off, capital investment, designing procedures, movement of equipment, changes in immediate work environment, installation of new technology or machinery, equipment purchase and plant layout etc.

It was claimed that efforts have been made to involve people as and when they have expressed desire to participate but occasional failures were acknowledged. A manager from Assortments factory stated, "All the time workers want more participation mainly in areas that involve their own jobs. In these areas we have involved them and got lot of benefits. In other areas, may be we are more autocratic". The Moulded factory manufacturing manager forthrightly added,

"We have tried to involve them in the processes of plant layout and design but still there is some frustration about it as obviously the experts have the final say on these matters. The early 80s were a period of trying to commission and get the things running and the people got neglected. In the last half of the 80s, the management was keen on involving people because earlier employees were working with low value equipment but now they are working on million pound equipment, so their involvement is essential".

This reveals the instrumental nature of task-level participation in Cadbury and also that the use of participation has been related to pressure of targets. A senior manager's views are worth quoting here at length,

"There are demands for participation in the budgeting process. Cadbury Limited has a very marginal influence over the parameters within which it can run its business; the profit targets, the growth rates and the many financial ratios we use

to measure financial performance are heavily pre-set and imposed by our holding company- Schweppes. As we do not have a lot of freedom over business matters, we cannot open up the budgeting process for participation. This demand has come from the convenor in the Assortments factory who wants more share of profits for the workers and if he achieves that,... we cannot meet the expectations of the share holders and that would mean more responsibility on us".

On one hand there is denial of participation at the Group level on the grounds that it is unnecessary and irrelevant and on the other, at Cadbury Limited level, participation is denied on the ground of holding-company control. Decentralisation of factories was meant to bring decisions closer to the people affected by it, but central co-ordination is used as a justification for denying participation in certain matters in the decentralised structure.

CONCLUSIONS

The discussion in section 5.6. leads to the following conclusions. The workers in Cadbury have virtually no say over the levels and issues of participation. The structures are founded on management definition of business needs and contradictory principles are used in retaining one structure and abolishing another. Even though the participation structure runs almost parallel to the managerial hierarchy, each level of the participation hierarchy does not necessarily deal with all the issues that are subjects of decision-making at the corresponding managerial stratum. This automatically trivialises the structure to a degree. Moreover, managerial hierarchy is used as a justification for non-consultation even in issues that are not exclusively preserved as a management prerogative. This trivialisation is also facilitated by very generalised expressions of terms of reference for forums at each level, that can be differently interpreted.

Similar contradiction is found in non-consultation about various issues. Non-consultation is mostly based on managerial fear of loss of control in meeting its business objectives. However, the

justifications for non-consultation relied on the twin ideologies of superior managerial expertise and right to manage.

5.7. POWER CONSIDERATIONS IN PARTICIPATION

Power and control as dominant themes in the participation literature have been referred to in *Chapter 2*. This thesis argues that all managerial activities in the participation arena are aimed at preserving and, if possible, enhancing managerial power and control. Power as a consideration in the dismantling of the old Bournville Council has been discussed in 5.3.1. This section examines how the managers in Cadbury view power-participation relationship in terms of their perception of their own power. The power consideration is also analysed in the context of position control in participative forums, proposals for change in the participation arena and the use of informal means of consultation in preference to the formal structure.

The managers interviewed were generally wary of talking about their own sense of power. Most junior managers clearly stated that they had very little power, understood as a positional attribute premised on resources. But some middle and senior managers questioned if power would be the right expression to use but verbalised their position in terms that referred either to resource bases- "the promises I make and the ability to deliver those" or to relational aspects- "The power that I have comes from the willingness of people to listen to what I say" or "I have more power over managers than over the convenors".

Power was mostly seen as ability to make various decisions with regard to dismissals, discipline, reinstatement and dispensation of benefits. Significantly, most of these decisions mentioned were directly connected to people and not to work or business. Possibly

these were more readily articulated because of their zero-sum content. Some saw membership on institutionalised decision-making bodies like the FMC as source of power and others conveyed a varying sense of power: "There are many bases of power- personal power, position power, expert power and my sense of power varies depending on who I am dealing with e.g. supervisors or workers; workers or union".

Power was also seen in terms of its continuity and permanence. As a shift manager put it, "A day manager has real power. He is the boss in all four weeks in all seven days. But in shifts, we are 4 managers and we work as a team and therefore, no one is powerful". Power and control remain undifferentiated in managerial parlance where "loss of power" is equated with "managerial inability to do what he wants, when he wants and how he wants because of workers's resistance or non-cooperation". Despite this awareness about power and its loss, there is a general reluctance to recognise the power process. As a manager from the Moulded factory said,

"The fact that I am responsible for three plants that produce large tonnage, gives me a sense of power. The fact that I have a casting vote in a decision situation gives me a sense of power. But that is not the way to manage. Using visible trappings of power may lead to your downfall".

So the exercise of managerial power is often legitimised in terms of managerial ideologies like right to manage, management training and expertise; through reference to management philosophy of unitarism, paternalism and welfare; through reference to external threats of competitiveness, recession, takeovers and finally, through managed consent systems of idea generation and mutual problem-solving.

For the managers in the Moulded factory, participation is a non-zero-sum process contributing in some cases to more informed decision-making. Since Moulded factory's participation was based more on the employee acceptance of managerially determined goals, there was a natural perception of unitarian framework.

One manager said, "Expansion of participation changes the nature of managerial power. It moves you from a position mode to an expert mode". This means, with more participation, managers refrain from explicit exercise of power and expect the workforce to submit to managerial decisions on the grounds of superior managerial expertise- a change in the nature of control but not in the extent of control. The public posture of Cadbury being pro-participation makes explicit exercise of power difficult- to be used only in extreme circumstances- and the legitimacy principles of control change. This makes it unacceptable for the managers in Cadbury to regard participation as an encroachment on managerial power, so its effects are interpreted more in business terms which is a more acceptable form of rationalisation. A very senior manager stated,

"Yes, a lot of people would see participation as restrictive on them. I would see it as slowing down and undermining some of the business processes that lead to success because managers have to compromise on decisions which could lead to bad business performance. So extension of employee involvement could be a two-way sword. There are times when you have to be autocratic and times when you can take all views into account".

5.7.1. POSITION CONTROL IN FORUMS

The provision for workers to chair, on an alternating basis with management, all participation forums under the old Council system (projected as its strong point in company literature) has been largely given up under the present system. Two exceptions to this are the Joint Consultative Committee in the Moulded factory and the Safety Committee. The Personnel Manager argued that the Moulded Factory Council was too small a body to be formalised with a chairman and that it was merely led by the Factory Manager- a weak argument considering all the ingredients of formalisation such as an agenda, minutes of the meeting and specified membership, found in the Factory Council.

Similarly, in the Assortments Factory, the Safety Committee alone

has alternating worker chairman and all the forums at the company level are chaired by the management representatives only. Many managers did not know why exactly the worker chairman system was largely given up nor could explain why it exists today in some forums and not in others. A senior manager said, "Worker chairmanship was withdrawn in the 70s as an assertion of management right to manage and to reduce union power". The latter view was concurred by a convenor. However, one manager said,

"Safety Committee is rather an exception than the norm. Safety is an exception because safety is about life and death and there is very little disagreement about whether we should kill people. But in other committees more traditional stance is taken".

It can be argued that the possibility of conflict or clash of interest, is higher at the upper echelons of the consultative structure due to the presence of convenors and the nature of issues being discussed. There the chairman's role is seen as one of control and hence is kept with the management. A convenor cited, how under management chairmanship, the Liaison Committee meetings had got reduced gradually from 8 per year to 6 and now to 3. Another narrated how the management controls the information flow in higher level bodies through their chairman.

Some of the managers looked upon the chairman's role in a participation forum as a decisional one whereas others considered it merely co-ordinative. The former were reluctant to have worker chairman but the latter did not mind it. Though no manager expressed personal opposition to the idea of worker chairman, all expressed fears that their colleagues would be against it and advised caution. A senior manager mentioned, "If there is a proposal for worker chairman everywhere in a true spirit of participation, I cannot see how the management could deny it or why they should do so". (Emphasis added). 'True spirit' may be reasonably understood here as a unitary framework. Several reasons were put forward as to why management or

other managers may not be in favour of worker-chairmen. As one manager said,

"People from shopfloor do not chair such meetings may be because the management cannot trust the shopfloor with that responsibility. I would not be against worker chairman but it depends on who that steward is. Some stewards can be very negative and counter-productive in that role. Many of my colleagues would be resistant to it for they see it as undermining their authority which it does not. Many managers have a very limited view of their role as a result of their experience. I find most workers have the genuine interest of the company at heart and have genuine grievances and problems too. But they become negative having raised these matters repeatedly and no one listens to them".

Some of these managers preferred a worker chairman to a steward chairman possibly because stewards are seen more as members of a competing power clique than the ordinary workers. Moreover, the managers preferred convenors to stewards for that position. The need and desire for integration between consultation and negotiation appeared to inspire the preference for the convenors. As a key Manager from Assortments said,

"It is partly cultural that the management may not be trusting of a worker chairman for many worker representatives are not committed to the 'company goals'. There are two convenors and forty stewards- but the stewards are stewards not because they are the best people but because they are the only people who go for that job".

Many expressed their reservation on similar paternalistic grounds of conflicting loyalties as Sir Adrian had put forward about worker directors. Some managers saw the manager chaired meeting having more status, while accepting that such a meeting becomes then "his" meeting and others do not get a chance. Managers who accepted the idea of a worker chairman as a principle of shared responsibility gave contextual reasons for not having worker chairmen. One of them said,

"The business and managers are under tremendous pressure now. Once we had 30-40% market share and we had about 7-8 bulk buyers. But now under pressure, participation is not a luxury. So no one is prepared to experiment".

5.7.2. USE OF INFORMAL MEANS

The Cadbury management has had experience of the formal participative forums becoming too powerful and problematic. This experience has induced the management to slow down the change of less formalised forums into fully formalised ones, as in case of Assortments factory, or to introduce less formal modes of involvement like the Quality Improvement Teams and MEP or Briefing Groups that are delinked from other participation forums and are more localised. One manager noted that in the 80s, many steward level meetings were eliminated and direct talks with workers was started. Even today, in the Moulded factory, the manufacturing manager, holds an informal fortnightly discussion with the convenors (its purposes will be discussed in 5.9.1.).

Managerial preference for informal consultation over formal forums is founded on several reasons. Informal consultation is unhindered by procedural niceties, structural limits and is considered more relaxed and less adversarial. A manager said,

"I prefer informal consultation for I want to instil in them that I am not their enemy. Many workers have this 'them and us' feeling, so have many managers who choose to isolate themselves but may not admit to doing it. These committees fuel this feeling and play at it. The company wants to be seen as a caring company. We are a big happy family- the magical world of Cadbury and that they are as they were 100 years ago in the days of George Cadbury. Yes, that sells chocolate but that does not work that way".

Though many managers advocated the use of both, it was generally agreed that informal means helped faster problem solving. A Plant Manager of Assortments described,

"Explaining and persuading is easier in a one to one situation. In a group situation, positions become crystallised and confrontational. You can set the ground for problem-solving informally and solve it actually in a formal forum".

On issues where the positions of the parties are already understood and public, formal forums are more used. Formal forums are taken as fields of competing interest where positions are expected to be defensive and restrictive. So at early stages of a management

proposal, informal contact is used to persuade the employee representatives about its legitimacy. Informal consultation temporarily insulates the employee representatives from the pressures of their constituents and hence the convenors feel more comfortable with it. The management believes that this limits their defensive stances.

Talking of the relationship between formal and informal forums, a senior manager said, "Formal forum indicates one's defensive position and creates confrontational barriers. Informal consultation speeds up the process of solution in the formal forums". Another manager added, "I do not see my informal consultation affecting my role in my formal forum, rather it is helping me. Informal consultation, I hope, makes the formal consultation unnecessary". It may be argued that instead of "success" and "trivialisation" being two separate states as Ramsay analyses, the apparent success of formal forums could be based on their real trivialisation.

The informal consultation process is seen not as a substitution for the formal process but as a tenet of "good management". A senior manager observed,

"Participation, consultation and information sharing should be the all pervasive way of how we manage. Discussing work with people and the problems that affect them should be competencies that we look for in all managers. One problem with formal structure is that you consult with only minority of people that you are responsible for and participation becomes more calendar driven than issue driven.

Practice of this kind of "good management" renders participation through representatives (considered inferior) unnecessary. Representative form of participation derives its legitimacy partly from workers support, but participation through individual workers, small groups and at work level is legitimised by management belief in it.

A very senior manager said,

"Frameworks and institutions are dependent on people and structures in themselves cannot achieve anything. You cannot involve people or have participation just by holding meetings every three weeks. People must believe in it. Once you believe in it, you don't need imposition of a formal system from the top and you will run your area as per your belief and involve people. When you believe in it, it will be natural and when it is natural, people will respond to it. We give freedom of choice to managers within a range. When they have a choice, they are natural and when they are natural, they are effective".

This principle of choice and freedom has been used by the Cadbury management to explain the variations in participation within Cadbury Limited despite having a common corporate policy and philosophy about it. This freedom enhances managerial discretion over who to consult. As one Personnel Manager said,

"It enables me to talk to people I want to rather than people forced upon me. If we are discussing a change at the Dry-end and the area representative happens to work on the wet-end, he may bring his own biases which may be positive, negative or confused".

The formal participation structure, as noted earlier, helps keep employee representatives out of regular power structure of the organisation. But even in the secondary power structure, alternative processes like informal dialogue are used to prevent the participation structure becoming a strong centre of power.

5.7.3. PROPOSALS FOR CHANGE

Consideration of power and control were also in evidence in managerial ideas about the changes they wish in the participation arena. The managers (not surprisingly) mostly wanted concentration on the shopfloor level participation and direct involvement of workers rather than through the stewards. The Personnel Manager of Assortments said, "I don't want a situation where any problem that is not sorted out within three minutes is brought to the Joint Consultation system and gets kicked around for three years". Many also wanted further reduction in number and size of the committees (managers wanting fewer meetings even in the seventies has been noted by Smith, 1984). A steward-turned manager said, "I would want

it all stopped and a fresh start. I would want the structure much flatter. The Cadbury conference should be dispensed with. We have to move the focus from trade unions to the employees". Many of these ideas, if implemented, would further shrink the arena in terms of its scope.

Cadbury management's resistance to strategic level participation has been noted in earlier sections. There is further evidence that opportunities for employee involvement and information sharing are being moved away from the appropriate centres of decision. Giving an example, a manager said,

"We are going from meeting to meeting without achieving much. Yesterday in a meeting, we arrived at some decision which will cost money. We know the meeting was a waste for no money is likely to come forth for the Project".

Another junior manager complained,

"Earlier the Plant Manager used to show the Chairman's video but only last year it has come down to our level. We do not know why it was done and we were not consulted. This I should not be doing. The Plant Manager is avoiding getting all the flak and is pushing us to the firing line".

The lack of information and decision power with the junior managers leads to trivialisation of the participation system at lower levels which is seen as the ideal place for employee involvement by many senior managers. Junior managers want more important matters and decisions to come down to their levels whereas middle managers see further downward delegation of responsibility for problem solving as reduction of their power. So different levels of managers have ideas about changes to the participation arena keeping in mind their power calculations. A senior manager said,

"There is the point that our unwillingness to involve them in some areas of decision making affects their willingness to be involved where we want them to be involved. In some cases it might be inhibiting our performance in business. It may be a bit idealistic for us to believe that it applies to all workers as a very limited number of workers are that motivated to be affected by the lack of opportunity to participate".

Anything that has been considered by the management as a "hindrance to progress at local level" has been done away with e.g. the Framework Committee or the Site Liaison Committee, though

managerially constructed justifications for it have always been on offer. Since problems are not very pressing, appropriate justifications are awaited for effecting many of these changes.

5.8. INDIVIDUAL MANAGERS AND PARTICIPATION

Notwithstanding the divergence between the company's written objectives of participation and the actual understanding and use of participation by individual managers, admiration for Cadbury's participation system was noticeable in the interviews with many managers. All of them acknowledged the creative and innovative contributions of workers to problem-solving and improvements in the company. Even though managers publicly accept the availability of tremendous amount of knowledge and expertise with the workers about chocolates, the Suggestion Scheme, though once the primary means of channelling this expertise, is no more operating in Bournville. The frequent conflict between workers' suggestions and managerial perception of organisational interest was one reason for the demise of the Scheme.

Most managers said that they did not try to persuade the employees directly to accept the managerial right to decision-making on the grounds of better managerial training and availability of information; nor did they think that the employees could be persuaded. But managerial affirmation of their superior decision-making ability was clearly based on these two factors. Since its acceptance by workers was limited, the decisions often had to be rationalised with reference to contextual business pressures.

But for some, workers' acceptance of managerial decisions amounts to a legitimisation and tacit acceptance of managerial superiority in decision-making. A middle manager said, " I am often told you are the manager, take the decision that you think is right". It may be

argued that employee reluctance to share responsibility for decision-making is interpreted by managers as acceptance of managerial superiority and consequently, its right to manage. However, the union representatives said that ordinary workers are stifled by an entrenched sense of superiority conveyed by the managers.

This sense of superiority made managers ambivalent about whether the participation system of Cadbury contributed to their effectiveness as managers. Some saw its utility in sending the right messages to the employees which elicited their respect (fair to read it as 'silent acceptance') for management decisions. More idealistic response was, "through participation, you take various perspectives into account which helps you to make better decisions". However, no manager could give an example of where a decision was changed, reversed or substantially based on workers' input. In a more pragmatic assessment, a manager said, "It does not make me more effective, but it removes few hindrances that could lessen my effectiveness. It tempers the behaviour of people". But for some, it was positively an irritant and a waste of time.

But the success of participation system in managerial terms was linked to managerial actions and attitude. It was felt that individual managers could "temporarily upset the apple cart" if not singlehandedly make it a success or a complete failure. Giving an example, a manager said,

"People were brought on temporary pay scales to the Buttons Plant which was commissioned about two years ago. They were promised certain pay scales on the commissioning of the project which the management later discovered it could not deliver and offered lower scales. So the matter was under discussion with local outside official when I joined the factory and there were a lot of disputes and mistrust. So my first meeting with the stewards was very frustrating".

Managerial styles of individuals based on their background, experience and the nature of transaction within management hierarchy (i.e. whether senior managers consult junior managers) were other

factors seen to be affecting participation. A junior manager said, "Of late, senior managers listen to line managers about what can be done. Earlier they used to decide and we had to deal with its consequences at the lower level". Some senior managers admitted that they had "great difficulty in sharing information as junior managers and had to be convinced lots about participation". In the Assortments factory, the junior managers from the ranks had grave misgivings about attitude of graduate managers to employees' viewpoint.

The overall attitude of the managers was that managing is an individualised job and did not call for participation. Both training and coercion (particularly of junior managers) were listed as means of changing managerial attitude to participation but the efficacy of the latter was considered limited. Managers were of the view that individual styles of management could be improved upon but can not be transformed radically. Cadbury's major attempt at changing styles seemed confined to Interactive Management Programmes held in 1970s. One manager said,

"Quality of training could determine the output. There has been no serious attempt by Cadbury's in this regard. It appears to be the thinking that there is a philosophy being handed around and people will run accordingly.... People in Cadbury do not understand that participation refers to a style of managing; they take it as communication only".

Having a policy or philosophy about participation has not proved adequate in itself in summoning managerial interest and involvement in the process and had to be reinforced by other measures at Bournville. As a senior manager pointed out, "The biggest difficulty is persuading managers to.... consult or involve people. We have introduced a new appraisal system that will take into account managers ability to involve people. But on the whole, we have not been very successful on this count".

CONCLUSIONS

The previous two sections point to the following conclusions. The areas that give managers a sense of power are those in which managers wanted no participation (or no further participation) of workers (see 5.6.2.). Institutional bases of managerial power like FMC are out of bound to the workers. Where participation is a success from management viewpoint (e.g. Moulded factory), it is seen as a non-zero-sum process. The public posture of Cadbury limits explicit exercise of power and, hence, the need for more ideological exercise. In spite of the non-decision-making role of various forums, management has preferred to retain control over these through retaining positional control. Use of informal means is extensive in Cadbury and is preferred as these make the formal process more trivial. All proposals for change are also aimed at further trivialisation of the participation system. Despite overall company emphasis about participation, many managers are sceptical about it and are conscious of their status as managers.

5.9. INFORMATION DISCLOSURE

Information as a power resource, as noted in *Chapter 2*, has received much attention in the literature. Its availability to managers as a legitimation for their decisions in Cadbury has been discussed earlier in this chapter. Many decisions are kept out of the purview of workers on the grounds that they do not have the requisite information nor the ability to use such information. This section specifically looks at what information is disclosed, what is not shared, why and how it aids the management of Cadbury in the participation arena. One manager said, "Lot of people think that more participation undermines managerial power. Information is seen as the power base. So people are afraid to weaken that base by sharing more information". Information disclosure could lead to the

workers questioning the very basis on which managerial decisions are founded. Without adequate information, the employee critique of managerial decisions relies on circumstantial guesswork or disconnected leakages (purposeful or accidental) from managerial sources at various levels. The management has no declared policy about information sharing either.

5.9.1. WHAT INFORMATION IS NOT SHARED

In Cadbury, information is considered a strategic resource and is centrally controlled. The managers agreed that all information eventually get to the workers but the time of its disclosure is always different and significant. In the absence of a policy, what is and could be shared is often a matter for individual manager to interpret. This creates confusion about what could not be shared, whether something is absolutely confidential, when to share and to what extent. A personnel manager recounted,

"The Performance Package is an information package containing information about productivity, departmental budgets, costs etc. which is given to the members of the FMC only, and not to all managers. Recently a convenor in another factory asked for it and the manager asked me if we could share it".

Most managers were willing to share information with workers unless instructed otherwise. However, many felt that usually they were not privy to any information that had to be kept from workers. If they were, it came with clear directive regarding its use. A very senior manager said,

"I would not share the exact amount of profit on a line. The general trend of profit on a line may be given. The principles or compulsions that restrict information disclosure are either legislation or competitive but not because of willingness. If we are happy for our competitors to get the information, we are happy for our workers and customers to get it. We can't expect all our six thousand employees to keep it confidential. The next best thing is to keep it from them".

Sometimes particular information is disclosed to the convenors but not to the workers in order to protect the power base and the credibility of the convenors. A personnel manager said, "I would not

tell workers the budgeted amount for next year's pay rise for if I disclose it, the pay rise will be a foregone conclusion.. We want them to see that the convenors have got them the best deal possible". The convenors in turn co-operate by keeping matters of vital interest to the management undisclosed to their membership until the time the management wants it disclosed. A senior manager said,

"As I know, one of our plants has to drop down to two shifts as against four which would mean loss of 40 temporaries. We would share it with the convenors now rather than next year. They would prefer that too. But we would tell them to keep it a secret and not to let it go down the line as that would panic others".

Possibly Sir Adrian had in mind such aspects of management strategy when he wrote (in Smith, Child and Rowlinson, 1990:xiii), "There are no monolithic interests as capital, management or labour, but a series of coalitions which shift through time".

The information sharing is also circumscribed in Cadbury through use of informal means. One such means was the Economic Forum in the mid-80s when the bargaining structure was being decentralised. The purpose of this forum was to "share business information and provide an overview of the economic state of the Division, as the background to the bargaining process". This forum consisted of the key negotiators across the Division from both sides and members of the Board. It had all the trappings of formalisation like minutes, attendance lists and a chairperson. Still, it was considered an informal meeting outside the formal procedure and all were sworn to keep information shared within this forum confidential.

This forum symbolised managerial willingness to share information without really conceding any that could be used against the management. The bulk of economic data shared in this meeting pertained to the group as a whole rather than being about specific factories. Though the management was decentralising negotiation to bring agreements closer to the economic realities of each factory,

it was founded on consolidated figures and the forum also helped the management to co-ordinate the disparate bargaining units within a common frame.

5.9.2. WHAT INFORMATION IS SHARED

Even though the broad approach to information disclosure at Cadbury is one of caution, it does not apply to all information. There is a category of management friendly-information which is shared freely. Information sharing of this kind is meant to elicit desirable behaviour from the workforce and the management approach to it varies at different levels. The briefing group has been the vehicle for sharing the response-generative information. The briefing groups were meant to replace the shop committees but some stewards are highly critical of their incorporatist character.

These groups are a part of management's co-ordinative strategy within its policy of decentralisation. A manager said, "These groups are meant to make the workers feel a part of the business by giving some business information". The worker unity in the company has been undermined through the managerial strategies of Bournville bifurcation, localisation of negotiation, abolition of certain participation forums. The briefing groups are localised structures. But the core element of information passed through it originates from marketing function but is consolidated at the corporate personnel level. It gives some freedom to the local managers to add items of importance to them. A senior manager commented about the management dilemma of centralisation and decentralisation,

"In 1982-83, we felt that communication was very patchy within Cadbury and wanted consistent communication across the Cadbury Limited about how plans affected people locally. We felt that there should be a communication structure running through our line management. We were struggling with a company where the Manufacturing Director encouraged each factory to be run by its manager in its own way whereas the Board of Directors was saying that they wanted to see similar communication went down through all levels".

A typical brief contains information about sales, absenteeism, transfers at higher levels, local problems, cost figures like the overhead costs, safety performance, effect of legislation like Food Hygiene Act etc. The briefs seemed to inform the junior managers more than the workers. As a shift manager said,

"There is nothing more embarrassing than your worker telling you something that you should have known in the first place. I have had managers coming up to me and telling me- I believe I am moving to Roses from tomorrow. That is what my worker says- Workers have even known about management movements before us. At least with Team Briefing we get to know things because of the Brief coming up to us".

Team briefing has served more as a means of control than as a vehicle of communication. A junior manager pointed out,

"We use briefing groups to discipline people and that we should not do. We are asked to say the hygiene is not good, absenteeism is bad and absenteeism is 6% and we will take you through disciplinary procedure if you do not improve. So people get put off. These groups are more disciplinary and less informative".

Some team briefings that the researcher attended at Bournville revealed the one-way and incoherent nature of the briefing process. Often shift managers briefing the workers were unfamiliar with the information and did not understand it properly, as they had no discussion with their superiors. The communication gap between the points of origin and points of delivery led on occasions to contradiction between the core and local brief, and inconsistency between union communication through stewards and the management communication through briefs. The attempt was to combine 75% local information with 25% company information, but the local information was invariably already known and trivial. Though the briefs were an attempt to provide alternative channel of communication to the stewards, or to remedy steward non-communication of information to the shopfloor, it left workers possibly more confused than ever.

Information sharing, in the researcher's view, was predominantly a process of sharing and creating a gloom and doom picture aimed at getting managerially desired behaviour responses from the workforce

and to temper their expectations from the organisation. The choice of information, the timing of sharing it, the nature of presentation, the mode of presentation and the means of presentation are designed to retain managerial control over decision execution within a managerial time-frame. Some information, like productivity data, may be shared at a time when labour movement is desired but not at a time when it is likely to be used against management in negotiations.

5.9.3. MODES OF SHARING INFORMATION

The managers at Bournville revealed that information disclosure takes several forms other than benevolent self-disclosure or coerced disclosure under workers' pressure. The self-disclosure comes through various company published documents and communicate aimed not only at the workers but at wider audience as well. Some of the instruments of self-disclosure are the Annual Report, the Cadbury News, the Chairman's video, other company publications and the briefing groups. The information shared through this mode is usually old and often is designed to elicit some kind of behavioural response in future like reduction in absenteeism or better sense of personal hygiene. Many of these are controlled means of information dissemination. Some of the convenors alleged (with specific instances) that workers' views that are unacceptable to the management are not published in the Cadbury News.

Often broad outlines of company plans are shared but the details are not disclosed on the grounds of commercial secrecy. This secrecy is keenly adhered to regarding plans having adverse consequences for workers and when the management is not sure of workers' response or attitude to it. Sometimes such plans are told to the convenors only in strictest of confidence. They too collaborate in this conspiracy of silence when they realise the seriousness of management intention

and that they could not prevent it. Such non-disclosure saves the convenors from immediate pressures from the shop floor.

The second mode of information disclosure has been the confirmatory mode. Here, information about any potentially contentious subject circulates as a rumour in the organisation and is picked up by the convenors or stewards from their members. When pressed for clarification, the management usually confirms the rumour. Such information is usually picked up by the workers either from newspaper reports, from employees of neighbouring factories, in chartered buses or on overhearing conversations between managers. News of impending lay-off, closure of lines or shifting of production capacity out of Bournville usually go through the confirmatory mode. This mode helps the management in conditioning the workforce to absorb the decision when it is officially confirmed in participation forums.

The split mode is used in matters where the management is considering several equally attractive options but is yet to finalise one. In split mode, information about impending decisions are disclosed by managers at one level (usually the lower levels) and is subsequently denied by senior managers. This mode gauges worker-reaction to various alternatives without giving them much chance to build up response strategy or counter argument. Split mode is used either to buy time before management makes up its mind or to keep attention engaged until management reaches very advanced stages of decision-making.

The selective mode of information disclosure has a more unitary orientation where, what information is relevant, useful and needed by the workers is decided by the Cadbury management, and only such selective information is disclosed. Even if other information is asked for it is denied on the grounds that it would not be useful

for the workers. A convenor related an experience with both selective mode and split mode,

"About three years ago, we went down to a meeting at Marble Arch about THE STATE OF BUSINESS. A few Directors met the representatives from various units where one item was how we are doing in America. What was basically said was we had our problems, but the business was picking up and even forecast of profit for next two years was given. We went back happy. About nine months later, I gathered from a Saturday Guardian that Cadbury in U.S. has been sold to Hershey. I said fair enough for we always thought that Cadbury going to America was a wrong decision. Then few days later, I read an account in the papers where one ex-Director of ours Mr.X recounted blow by blow how he sold Cadbury in U.S. There he said he was negotiating the sale for last eighteen months. Here I am given projected profits and management's intention to keep it while you are negotiating to sell. In next meeting of Liaison, I said let us wrap up all consultation for I don't want to be taken to London to be given a load of bull. So a manager said we did not tell you about the sale for we did not think it important. I said why? They said, why do you want to know? My point was if you trust me tell me the whole thing or tell me nothing. Don't tell me one thing while doing another".

In a time-specific mode, the management is very selective about the time of disclosing information. In such a case, either it is too late for the workers to respond or the circumstances prevailing at the time of disclosure enhances the justifiability and acceptability of the decision. The lay-off of 240 employees in the Assortments factory in September 1991 is a case in point. A senior manager of the factory said,

"We did not discuss the lay-off of 240 people before. This information is confidential. The lay-off was planned about 9 months back. We had some assistance in the shape of poor sales. We communicated to the convenors about six weeks before their lay off. We would have gone ahead with the lay-off even if the sales were good but bad sales was of help".

The time factor in disclosure of information was a matter of calculation for most managers. As a junior manager said,

"This autumn or last summer, we knew that if things in sales didn't pick up, the workers had to be laid off. We were not supposed to divulge it and we sat on it for three months. If we had disclosed it that would create panic and the union would come thundering to the Factory Manager. At the end of the day, we would protect our factory manager as late as possible".

Managers keep information guarded till it is no more practically possible to implement a decision without disclosing it. The need to keep any information secret is interpreted differently, and different managers are left to choose their own justifications for

it. Keeping some information confidential was seen as a responsibility arising out of the membership of the managerial class.

The subject matters about which information is usually withheld until a time considered appropriate by the management include matters like "closing a section, movement of labour or plant closure, downgrading a job, some key financial parameters, some key labour related decisions that can be highly emotive and disruptive" and of course, the information forbidden under stock exchange regulation not to be published till a certain time.

Information disclosure, on the whole, is a cautious affair in Cadbury limited. As a junior manager put it,

"We have to be very careful in giving information, particularly when we are going through a dispute. We as junior managers have feeling about what the senior managers are going to do. But we as managers cannot tell that to even our closest friends on the shop floor. Company might have told me that if workers go on flash strike, we are going to dismiss them on the spot. I can't tell these to workers and most such information pertains to strategy".

CONCLUSIONS

Broad conclusions derivable from the previous discussion are as follows. The availability of a greater amount of information to managers is used in Cadbury as a legitimation for managerial decisions and a justification for worker exclusion from the decision-making process. However, the flow of information to the workers is controlled through various modes and processes. What information is shared or not shared is determined by the management keeping in mind its consequences for managerial control over business objectives. But explanations for such disclosure or non-disclosure are couched in ideological formations. Expected union and worker response is also a consideration in this process where timing plays a crucial role.

OVERALL SUMMARY REMARKS

In this chapter, the managerial action in the participation arena of Cadbury has been explained over a broad time spectrum. The analysis has relied on historical documentation, independent research accounts and first-hand interview with actors. Some past events have been re-examined through the retrospective reflection of some current actors who were participants in those events.

It was noticed that the origins of participation in Cadbury was largely paternalistic and on management terms. Participation continued for many years as the high point of Cadbury's public image as a caring company. Management at that time considered it a value of progressive employers and couched it in a unitary framework. The Cadbury management was always careful about maintaining the distinct image and flexibility of action that its participation system provided, without allowing this to become insulated from environmental developments (e.g. Whitley Councils, Bullock Proposals, EC initiatives).

When ideological exercises failed to keep the participation system in line with the managerial objectives, Cadbury management did not hesitate to exercise explicit power to demolish and rebuild the participation system. Business changes and business objectives (mergers, long-range plans, poor sales, capitalisation etc.) have had considerable influence on managerial action in this regard. More recent participation systems have been designed, and are operated, through means that have only a minimal effect on overall managerial control and power.

Union response to managerial actions and goals has been a factor shaping the formulations in the participation arena as has been evident in the differences between the Moulded factory and the

Assortments factory. The public image of Cadbury has prompted extensive ideological manipulation rather than frequent use of overt power.

CHAPTER 6 PARTICIPATION IN CADBURY INDIA

INTRODUCTION

This chapter deals with the case of Cadbury India: the first name in chocolate in India. The managerial action in the participation arena of Cadbury has been analysed in its historical context and with reference to the developments in Indian socio-economic milieu. The discussion is silhouetted against the outlines of Indian labour legislation, industrial relation environment of Bombay and the legendary emphasis of Cadbury U.K. on employee participation. The data presented here is based on study of company documents and interviews with various actors of Cadbury India, particularly, at its Thane factory. It may be mentioned here that unlike Cadbury U.K., there is no published research on any facet of employment relations in Cadbury India. Structurally, this analytical narration follows the design of *Chapter 5*.

This chapter begins with a historical overview of Cadbury's foundation in India, the growth of the Thane factory and more recent changes in its business and their precipitating circumstances. This discussion serves as a background to the understanding of industrial relation in the company in general and in the Thane factory, in particular. Then it explains the relation of Cadbury India with its parent company in terms of the channels of communication, the areas of parental control, the means of such control and, in particular, the influence over industrial relations aspects of Cadbury India.

The chapter later turns to specific discussion of participation structure in the Thane factory, looks at the purposes for which participation is used, the levels and issues of participation and relates it to the power considerations evinced in managerial action.

The disclosure of information in Cadbury India is also examined and its implications discussed. Some broad comparisons with the parent company are touched upon, leaving details for discussion in *Chapter 9*.

6.1. COLONIAL CHOCOLATE: THE ORIGINS OF CADBURY INDIA

India certainly was not a cocoa colony like the Gold Coast or Nigeria, but chocolate in India has been a colonial survivor. Cadbury and chocolate entered India as the exporter and its merchandise. Elaborating on its origin, Sir Adrian said,

"If you look back, Cadbury business exported understandably where there were markets and people who knew our brands like Australia, Africa and India. The market in that sense was not deliberately built up; rather export followed demand to enable people to buy products that they could buy back in England. These countries were ready-made markets. Later, in these countries, the decision came that, if you want to operate in the local markets, you must produce in those markets... So we put up factories all over the commonwealth during the period between the two world wars. But there were problems of manufacturing in India. There was no large-scale supply of milk in India in those days. You could get only some buffalo milk. India was an enormous market for cocoa and Bournvita and had lot of potential. We could not go on exporting to it, so we had to take a decision which we took in about 1946. We had a choice of either manufacturing locally or operating in that stagnant market which was not going to grow any more".

The registration of Cadbury as a trading concern in 1947, in India, was not just a coincidence with Indian independence but an organisational response to the changing political complexion of India. The tide of nationalism was making export difficult and Cadbury had to have a legal and commercial foothold in India before the friendly rulers left. India's decision to remain within the British Commonwealth was a political reassurance for all British interests in India including Cadbury.

The beginnings of Cadbury India have some striking parallels with its parent company. It began small-scale processing of imported chocolates and Bournvita in Colaba (in the heart of Bombay). Later,

the operations shifted to the Bulabhai Desai Road in 1956 where actual production of chocolate and Bournvita started. This move is comparable to John Cadbury's move from Bull Street to Bridge Street in Birmingham- both moved within inner city areas with expansion of business.

Cadbury India has used backward integration strategy to overcome dependence on uncertain and unstable sources of raw material. The economic and logistic difficulty in importing cocoa led to the foundation of Cocoa Research Station at Chundale in Kerala State in 1964. This agency persuaded the local farmers to take up cocoa cultivation with active economic and technological support of Cadbury. Today, all cocoa requirements of Cadbury India are met locally. Similarly, Cadbury purchased the Induri dairy farm (close to Bombay) in 1964 in response to chronic milk shortages in India. This farm served as a milk collection centre for Cadbury and was a necessary precondition for expansion of capacity that came later in the decade. High quality cattle is bred at Induri Farm which is a wholly-owned subsidiary of Cadbury India.

6.1.1. TRANSFER TO THANE

Pressures of expanding business and the pressures for expanding business, along with the limits of expansion within the inner city areas, led to new manufacturing facilities at Thane in 1966. Thane, then a "greenfield" site, was soon to become one of the most industrialised area of India as it had all the advantages of Bombay (being its suburb) without its space constraints. The Thane factory relied on labour from Bombay and the neighbouring villages.

The Thane factory was a response to similar exigencies of business that brought about the growth of Bournville. What was missing with Thane was the philosophical, social and paternalistic constructions that went into the making of Bournville. Missing were the housing colony, community environment, baths and refectories, playing fields and libraries and other physical expressions of Cadbury care and concern so typical of Bournville. The Thane factory did not echo the moral principles of pure air or greater work-space for the workers that characterised early Bournville. The lauded Quaker ethics was conspicuously dormant in Thane. One finds no self-congratulatory document about the move to Thane as one finds about Bournville.

The lack of moralistic overtones to management action in India probably had causes both in India and the U.K. and those can only be conjectured. By the late sixties, Cadbury U.K. was veering away from traditional paternalism under pressure from competition and merger etc. This could be one reason for its value-neutral stance in India. Secondly, Cadbury's ethical public image had put constraints on freedom of managerial action in the U.K. and the management probably did not want to be caught up again in it in India. Thirdly, by the early sixties, various labour legislation in India provided for many so-called measures of workers' welfare. There was, thus, very little scope for Cadbury to appear as progressive employers through provision of physical facilities in India much of which was taken for granted.

Lastly, the paternalistic welfare state in India had taken upon itself the task of protecting what it deemed as "weaker sections of society" (which included the factory labour) leaving little room for employer initiative. The Industrial Disputes Act and the Factories Act came in quick succession to Cadbury's formal entry into India

giving it little scope for repeating the Bournville effects. Sir Adrian, however, attributed this difference to the principle of subsidiary autonomy,

"When you look at international business, there is always a phase of building up, where you are always trying to build up what you have back in the U.K. It happens because the initiators have gone from here but obviously there is a time lag. Then you develop and you appreciate that if these businesses are to succeed, they must be run locally, local autonomy has to be provided and you must be building up a new generation of managers who won't have any contact with the parent company in the real sense and they have to find their own way".

By 1991, the Thane factory was producing about 6000 tonnes of chocolate and confectionery and about 7000 tonnes drinks. The production at this factory saw a rise of 29% in volume terms between 1985-86 to 1990. The Thane factory, in its present product profile, resembles the old integrated Bournville factory. It houses some of the company-wide facilities like R&D and Engineering Development. Like Bournville in Britain, the Thane factory was the mainstay of Cadbury in India for about 13 years and even today, is the largest of its four production sites in India. Company profitability today, is still vitally linked to the performance of this factory as about 50% of the company's turnover comes from here.

The Thane factory employs about 1200 people, of which 1100 are workers and the rest are supervisors and management staff. It is significant to note that unlike Bournville, there are very few female employees at Thane factory and almost none on the shopfloor, including the usual gender-specific dry-end of production.

6.1.2. CHANGES WITHIN CADBURY: CONSIDERATIONS AND COMPULSIONS

As in the U.K., Cadbury in India has changed over last 40 years in many respects: some of these were brought about by strategic management actions, some in response to environmental pressures and possibilities and the others were simply imposed on it by the state policy. A crumb manufacturing facility and a malt extracting unit

were added at Induri in 1969 and 1973 respectively, to feed the expanded capacity at Thane. A chocolate confectionery factory was also commissioned at Induri in 1983. The Induri facilities, in many respects, support the Thane factory, as Marlbrook and Chirk do for Bournville.

The vulnerability of the Thane factory to the swings in industrial relations and the complete reliance of the business on this factory was becoming quite apparent by the early 80s. The demand-led strike and the responsive lockout of this factory for six months in 1980, had a damaging effect on the business, particularly with Amul (a new player in the chocolate market from the co-operative sector and already market leader in baby milk-food market and actively backed by the Government of India) pecking at the market share of Cadbury.

The early eighties also saw the longest textile strike in Bombay (lasting over a year involving more than 100,000 employees), growth of militant trade union leaders and violence in industrial conflicts. Market dominance so far had enabled Cadbury to absorb the ever escalating wage costs in spite of price sensitive demand. The wage demands were fast becoming commercially unsustainable (the output of Thane factory rose by 29% between 1985-90 whereas the employee costs during the period increased by 66%). In fact, the strike and the lockout of 1980 were about the payment of bonus. This experience stimulated a strategy re-think in terms of alternative manufacturing facility, multi-sourcing and diversification. These considerations and compulsions resulted in new production facility at Induri in 1983, at Malanpur in central India in 1989 and later, at Phaltan in 1991.

The new high technology, high volume and low cost production unit at Malanpur is capable of substituting for Thane factory in many products. It being a "greenfield site", the management has

instituted flexible work practices. The labour costs at Malanpur are also lower compared to Thane (a Thane employee on an average cost Rupees 72000 in 1991 as against Rupees 22000 for a Malanpur employee). Though the management cites restrictions of Monopolies And Restrictive Trade Practices Act as the reason for this move, the real purpose is to reduce the company's vulnerability to the employees and union at Thane.

Diversification into areas like biscuits and ice-cream and operations through third-party have been other strategic moves of Cadbury since the late 80s. Packaging through third-party has helped alleviate the problem of labour costs which stood at 13.1% of its sales volume in 1991 and compared very unfavourably with that of its competitors.

As the merger with Schweppes had affected Bournville in the U.K., all the above mentioned changes had direct consequences for the Thane factory. These changes diminished the potential effectiveness of direct sanctions by Thane union and created a fear in the minds of the employees about the intentions of the management. But these have also made the union leadership more aggressive. Merger with Schweppes had an impact on Cadbury's subsidiaries in many countries but not in India, since the former had no presence there.

The business profile of Cadbury India has changed over the years and particularly in the 80s. Despite the enormous growth in its turnover (from Rs180 Million in 1980 to Rs1080 Million in 1990), Cadbury is struggling to retain its dominant position in the face of threat from another multi-national company, Nestle. Nestle entered into the chocolate market in India in November, 1990 and is already entrenched in India's baby foods and instant coffee market. Cadbury continues to be the dominant player (for a long time it was a monopoly) in the cocoa based drink and chocolate market. Even today,

all forms of sugar confectionery in India are referred to, by ordinary folks, as "chocolate" and by the least discerning, as "Cadbury's". Its market situation in India, thus, has been different from the U.K. where it always had to face competition. But chocolate continues to be an item of occasional luxury consumption in India as it was in the U.K. in the nineteenth century.

How far the strategies mentioned earlier are results of "dominance effect" (Smith and Meiksins, 1991) or imposition or guidance by the parent company or simply results of indigenous creativity can be seen only by analysing the nature of relationship between Cadbury India and Cadbury U.K.

CONCLUSIONS

The discussion so far suggests that Cadbury India's growth- and that of the Thane factory- has some striking parallels with the growth of Bournville in the U.K. But, from the beginning, Cadbury management in India has been marked by its distance from the high value orientations of its parent company. Cadbury India's business strategies have included backward intergration, multi-sourcing and diversification. Much of the strategy has been shaped by the company's business dependence on Thane and its consequent vulnerability to union pressures. Market competition, too, has influenced its strategies.

6.2. PARENT-SUBSIDIARY INTERACTION: CONTROLLED GUIDANCE AND GUIDED CONTROL

This section deals with how Cadbury India and Cadbury U.K. relate to each other. It examines the channels of communication between them, the nature of control of the latter over the former, the means through which Cadbury India can pursue independent action, and the

areas of discretion open to Indian management and how consistently this is exercised compared with parent policies and philosophy. This analysis is based on the interview with Mr. Pal, the Chief Executive and Managing Director of Cadbury India and two of his fellow Directors; interview with Sir Adrian in the U.K. and the study of various actions and documents of Cadbury India and its comparison with related events of the parent company.

6.2.1. CHANNELS OF COMMUNICATION: AGENTS AND EVENTS

The role of the parent company in shaping the direction of the subsidiary was highlighted by Sir Adrian,

"How far the Cadbury spirit went anywhere is very much a question of who started those operations in these countries. Most of these people, at least in the formative days, went from the parent company and carried its values with them. In a curious sort of way, when I go there, as I found when I went to Australia, you feel like you are in Bournville of twenty years ago. Bournville changed and went ahead but the time lag remains with the overseas operation. They took things from Bournville but did not necessarily change it and move on".

The regular contact between the parent company and the Indian subsidiary is mostly confined to the few top executives. There has been occasional transfer of personnel between them at lower levels. The present manufacturing manager of the Assortments factory in Bournville, for example, served for a while in the Thane factory, though such cases are rare. The value of top level interaction with the parent company was articulated by Mr. Pal,

"My going there to attend conferences of the Chief Executives every two years is a kind of interaction where we exchange ideas, learn and meet the CEOs of Cadbury world-wide. Besides, I interact with senior people from Cadbury-Schweppes world-wide who are functional specialists in information, marketing etc. and I try to pick up inputs that are relevant to the Indian company".

The parent company is represented by two Directors (the current Managing Director of Cadbury's confectionery stream world-wide being one of them) on the Board of Cadbury India and at least, one of them comes to each Board meeting and five such meetings are held in a year. The presence of senior executives from Cadbury-Schweppes helps

co-ordinate activities of the subsidiary with the policy and plans of the parent company and brings in experiences and practices of the parent company as inputs to the subsidiary management.

Apart from this, specialists from the parent company come to India to deal with specific problems or projects at the request of the Indian management. When there is a significant transfer of technology from the parent company to the subsidiary, this exchange of ideas and of people increases. R&D has been another area of frequent contact between the parent and the subsidiary. Earlier, the tri-annual conference of Directors of Personnel used to co-ordinate ideas on personnel strategy but this has been discontinued (the reasons for its discontinuance could not be ascertained). It is not the number or the frequency of contact per se which is important. The areas of such contact and the decision level at which the contact is established determines the extent of parent influence over the subsidiary.

The nature of contact and its forums in Cadbury are more directed towards the material ends of the business like technology and products than towards the software of values and philosophy. A very senior member of the Managing Director's committee in India mentioned,

"Indian managers do not get to know the policy and philosophy of the parent company and have very little opportunity to influence it in any meaningful way. The Indian managers get to know about the technology and the technical advances through journals and notes from the parent company".

Mr. Pal considered the exchange of ideas in various conferences, meetings, and training as means of influencing the parent company policy but could not give any concrete example of such efficacious influence. "The Character of the Company" written by Sir Adrian has been faithfully reproduced in the "Company New Entrant Guide" in India which notes, "As a member of the Cadbury-Schweppes Group, we share some beliefs and values with our parent company". The Managing

Director said that this document by Sir Adrian was circulated to all in the company with a foreword from the M.D. whose contents he later re-emphasised in various communication meetings. It is difficult to assess if this circulation was a mark of respect for the personal stature of Sir Adrian or was a sincere attempt at inculcating the parent philosophy within the subsidiary.

Sir Adrian highlighted the importance of people in Cadbury as carriers of company philosophy and said,

"You can influence the subsidiary by choosing the kind of people that you appoint to the subsidiary Board and by training your key functionaries. Training could help create a uniform system of values through out the company... You can only select people who are sympathetic to your views and values but then you are operating in a different culture which puts limitations. As you grow larger and move to other culture, there is real limit to how far you can follow similar patterns".

However, culture as the source of such limitation can only be accepted if it is conclusively demonstrated that standards or values have been promoted by the management in all areas and the particular culture's consequences are distinctly inhibitive to the values or standards being promoted.

6.2.2. PARENTAL CONTROL IN CADBURY

The purpose here is to examine the areas and nature of parental control over the Indian subsidiary for that can substantially limit the issues open for participation to the subsidiary employees. While Sir Adrian affirmed that the best way to influence is through example by the parent company, he explained the Cadbury mode of control over its subsidiary,

"Primarily, quality and brands on the commercial side are totally controlled by the parent company. So is the production process, buying of the raw material and so on. Also the quality of packaging. I can't call it control, but the most important way the centre retains its confidence over the subsidiary is by the appointment of key people who would run the business there. Provided you have confidence in the person who is in charge of the subsidiary and he has a good relation with the parent, then you can rely on the person doing the right thing and I do not think you should try to control by requiring the

decisions to be referred back to the headquarters. You don't have to have financial control but control systems whereby you can know what they are doing".

A concrete picture of the "control systems" was gathered in Cadbury India. The financial year in Cadbury India is divided into 13 periods of 4 weeks each. At the end of each period, the parent management is sent a very detailed report about the profitability of that period. The needs of control are strong enough to require almost monthly report of profitability. Apart from this, the annual budget is sent for approval and so also a detailed long-range plan every three years. The plans are modified based on the parent company feed-back.

Due to the changes in the FERA in India, Cadbury U.K. had to dilute its holding in Cadbury India from 100% to 60% in 1977 and again from 60% to 40% in 1979 as a result of which, Cadbury India became an associated company of Cadbury U.K. from once being a wholly-owned subsidiary. The dilution, however, did not at all alter the nature or the extent of the parental control on Cadbury India. This was demonstrated by the launch of international brand of Dairy Milk in India in 1985 and brand consciousness has been a part of the parent-subsidiary relationship within Cadbury. As Sir Adrian told the researcher,

"Today we are much more conscious about the brand name around the world. In early days, chocolate was only a very small part of the business. Then, we could not manufacture Dairy Milk in India due to shortage of milk. So promotion of this brand name in India in those days would have been misleading... Later, we developed new recipes suitable for the climate using local ingredients. Today, we take a more stricter view of promoting the same brands the world over".

The name of the Indian company was changed from Hindusthan Cocoa Products Limited to Cadbury India Limited in 1989, as a part of promoting a global image of the company. The business of Cadbury India was re-organised in 1988 into two broad streams- Confectionery stream and Food stream and this re-structuring has been explained in terms of business changes in company documents. It is not merely

coincidental that the Cadbury business in U.K. too was re-organised into streams in 1985.

The senior executives were generally reluctant to accept the subsidiary's relationship with the parent as one of control but they all gave clues to the nature of control. Most such control was couched as advice and concern but they did not clarify whether or not, in reality, such suggestions are taken as directives and acted upon accordingly. Much of the control was interpreted as consultation because of the expertise of the parent company. A senior director of Cadbury India said,

"There are no areas in which we are directed. The parent company expects us to take prior approval if there is proposal for major capital expenditure beyond a limit. These decisions are approved by a specific committee in the U.K. Decisions about use of international brand names and use of wrappers is taken in close consultation with the parent company because the brand name belongs to them. If I want to put an international wrapper design on my product and if they thought that the product quality is not up to their expectation, they will say NO. There would be close consultation about the appointment of outside Directors and movement of managers at the very top. Leaving these four areas, in other areas the parent company would do no more than advising. The area for example, where we have close interaction is technical matters like the plant and equipment specifications, new factories. We seek their advice in these areas. New product introduction is an area they would like to be informed about. This would again be as an input into our decision-making process as to why not go for another line".

While acknowledging the absence of rigidities, Mr. Pal (Chairman and MD) conceded the wide ranging policy guidelines within which the subsidiary had to act. At a practical level, policy control was not seen as restrictive, rather as a natural fact of multi-national business. Speaking about it, Mr. Pal said,

"Cadbury has global policy only about product design and quality. This policy too is flexible and not rigid. For example, purple is a colour of Cadbury wrappers. If in India, we want to market it in red wrapper, the answer will be, "Go ahead but don't call it Cadbury's". That is the nature of global policy. No other area has yet been global. We are a part, when such global policy is evolved. For example, the M.D. Confectionery has created a group of six marketing Directors of which India is one, who have met two/three times to evolve what is going to be global marketing point of view".

CONCLUSIONS

The following conclusions are derived from the foregoing analysis. Consistency of Cadbury India's activities with parent company goals and strategies are maintained through direct agent involvement and elaborate reporting mechanism. Some of these are highly regular and others are more issue specific. Areas of parental control are well understood in the subsidiary and include key aspects of business like product, process, quality, technology and investment. There is little parental value dissemination in Cadbury India, despite direct agent involvement, on the grounds of subsidiary autonomy and cultural difference. Cadbury India has little chance of influencing parent company policies.

6.3. PARTICIPATION IN CADBURY U.K. AND ITS IMPACT ON CADBURY INDIA

Having discussed the broader aspects of parental control on Cadbury India, this section turns to the analysis of Cadbury U.K.'s influence in employee relations matters and, in particular, on employee participation process at the subsidiary level. It then goes on to explain the participation structure at the Thane factory and in Cadbury India in general. Like many multi-nationals, Cadbury India claims linkage with the parent company in the personnel and employee relation area as less strong than in other fields. (Interestingly, though, Smith et al., 1990:88, have talked of Personnel as an international function within Cadbury). The linkage, in this area was mostly explained as selective beneficial learning by the subsidiary from the parent. However, global co-ordination through Personnel Directors' conference has been mentioned in 6.2.2.

Sir Adrian explained the traditional policy of Cadbury U.K. in this regard,

"From the Board point of view, something cannot be right to do only in the U.K. and not right elsewhere. So the Board is always keen to see that some appropriate institutions developed and always encouraged it....I used to try and get agreement about principles like open management and importance of individuals. Once these principles are agreed, the institutions of it have to evolve in each country in their own way. Any imposition of the Board could not work".

However, there was very little evidence of any such agreement (or acceptance) of principles at the subsidiary level. The Vice President Personnel of Cadbury India said,

"I don't think what the parent company does in people related areas does really affect us. If they do anything new which we can learn from, we learn and we have learnt it in the past. Participation in the parent company, in that sense, has been a model for us".

This was contradicted by another senior member of the Managing Director's committee who observed, "We did not start participation here because of them. We started it and then discovered what they were doing". The Total Quality Management (TQM) programme within Cadbury India was cited by many senior managers as one area of such learning. But it is questionable whether TQM is a learned virtue or if it is an acceptance of the parent company's global quality strategy whose integral part is TQM. The evidence of such learning was sketchy as even very senior managers in India knew little about the participation system in the parent company and mostly had wrong historical and factual understanding about it.

The corporate philosophy of Cadbury India is said to revolve around "People, Products and Profits" and various company documents claim that it shares the parent company policies and philosophy. Members of the top management team were unsure if the parent company had any declared world-wide policy about participation like the quality policy. Mr.Pal, echoing Sir Adrian, doubted the feasibility of a global policy on participation because of environmental differences and variations in local needs. However, he was careful in suggesting that both the parent and subsidiary are similar in basic approach and system of participation (even in the absence of detailed knowledge of the parent system). The reluctance to look different

was also found in what a Vice President said,

"There is not much difference between the two system really. They have gone about it different ways. They went through formal means of joint councils and works council etc. We are a small organisation, so we had works committee and union committee".

The change in the nature and extent of workers' influence on the decision-making process in the subsidiary is dependent on the parent management wish rather than the structures of participation or the subsidiary management desires. Though Sir Adrian and the top management in India indicated that the company would accept worker directors (rather than go out of Indian market) if imposed by legislation in India, the freedom of the Indian management for independent action in this regard is limited. Any major participation initiative by the Indian management, as per Sir Adrian, is best left to the judgement of the local management but as the majority share holder, the parent viewpoint cannot be ignored. The Managing Director in India clarified,

"As far as below the Board level is concerned, if I think participation at certain level is important, I don't see any problems from U.K. At the most, there may be some discussion where one must carry the conviction that it is going to be useful to the company. If we want a worker director, Cadbury-Schweppes may have a point of view. They will not push it down our throat, but they will suggest to find if it is desirable or undesirable and how they perceive it. Of course, if a worker director were imposed on us, one could always find ways for informal consultation outside the Board".

However, other very senior executives of Cadbury India maintained that any substantial alteration to the employee participation structures and process in India would require "extensive discussion with and approval of the parent company". But the chances of participation changes in India influencing the participation process in the parent company were considered remote. Sir Adrian categorically denied that legislative imposition of worker director in India would in any way alter the parent management's stand about it in the U.K.

6.3.1. PARTICIPATION IN CADBURY INDIA: MINIMALIST STRUCTURE

The history of participation within Cadbury India is neither well known nor has ever been claimed by the management as its virtue. Both at the ideational level and at the practical level, participation is unassuming to the extent of being non-existent when compared with Bournville. One does not come across any company published literature heralding the participative tradition or ethos of Cadbury in India.

The Works Committee (a statutory requirement) was constituted in Cadbury on the 12th September, 1960. But in the decade preceding that, there is no evidence of any form of consultation at all and coincidentally, the first union (called Cadbury and Fry Employees' union) as a purely internal union was formed in 1960. Prior to 1960, some managers argued that various joint committees substituted for a union. No one could say what these committees were, or their nature, nor could the researcher find any evidence of their existence. It may be noted that even today, the Head Office of Cadbury India in Bombay has no participation structure for its 200 employees- a situation comparable to that of office staff in Bournville. One of the oldest managers explained the historical gap in participation within the company in terms of changing employee relations,

"There were three phases, 1) The Master-Servant phase (1948-62) where the master was kind, caring and benevolent and the employees were obedient and respectful. 2) "We and They" phase (1962-80) was an age of second generation of employees and both the parties were conscious of their prerogatives. We conscious of our rights to manage, discipline and decide. They talked of right to unite and strike. 3) The third phase came after the crisis in the 80s which was a time for reconciliation and co-operation".

The Works Committee which is legally required to have equal representation, currently comprises of 7 employee representatives and 4 managers. Though originally its worker members were being

elected, since the 80s, the leaders of the majority recognised union have usually nominated the employee representatives to this committee. The union ensures that a member of its executive (the Union Committee) is always on the Works Committee. The MRTU and PULP Act (see *Chapter 4*) does not give the recognised union (i.e. one recognised under the Act as the sole bargaining agent) the exclusive right to the Works Committee nor the I.D. Act envisages it as a purely unionised body. But the Cadbury management have liberally used the principle of "recognised union having all the privileges", to bolster the power of the union leadership and through that, to control Works committee members.

This practice may not be peculiar to Cadbury within Maharashtra province, but the Cadbury management have legitimised the system on paper. Constituting the Works Committee is a legal responsibility of the management and this process worked smoothly as long as the union leadership was undivided and monolithic. (It may be noted that the recognised union in Cadbury factory and the Head Office, is the Association Of Chemical Workers (ACW)- an affiliate of the Indian National Trade Union Congress. The General Secretary of the ACW acts as the General Secretary of its different factory units and he is a professional trade unionist. Only the President and other office bearers in Cadbury are elected by the local membership. This executive body in Cadbury is called the Union Committee. Cadbury employees at Thane have had a history of changing their loyalty from one union to another. On each occasion, a counter-elite from amongst younger employees has challenged the elected executive of the union. The employees at Thane switched their loyalty to ACW in 1979).

Some leadership aspirants in 1990 wanted wider choices for Works Committee membership and this has been noted in the minutes of the Works Committee. The management conceded it but resolved that "in case, the number of nominations are more than the seats, the final

decision will be taken in consultation with the union representatives". This indirectly retained the Union committee's control over the Works committee members. It was in late 1990 that a compromise was evolved whereby indirect elections were held for the Works committee for the first time.

The advantages of the old elected Works Committee were recounted by a senior manager,

"Both the Works committee and the Union Committee were elected by the workers. The two sets of elected representatives though from the same union, used to try to prove themselves, keep each other in check. I was comfortable with that. Earlier, the Works committee decisions used to be final but now all other committee decisions are subject to ratification by the Union committee".

The superiority of the union committee in relation to the other participative forums is not a natural growth or legislative creation but a result of the Cadbury management strategy to keep the agencies of control within the organisation. A senior manager involved with strategy making elaborated on it,

"In 1979, when the ACW came, the locus of control went outside the factory. Between 1979-1984, the outsider was all powerful. We could not even put up a notice or issue a warning letter without his clearance. In early 80s, one of our strategies was to bring back the locus of control within the company i.e. to consciously promote and make the local union committee strong. Earlier, if union committee members wanted to see the Works Manager, they had to take an appointment and literally stand. We started treating them with respect, took them into confidence and shared information. We gave committee members inputs through training. The emphasis was that 'you are capable of discussion and decision with us'. It took us time to do that but today, the internal union committee is stronger and can tell the outside leader its mind. If we can convince the internal committee about something, they can persuade the outsider. It might have indirectly and unconsciously undermined the authority of the Works committee. When union committee started nominating members to the works committee, obviously the former enjoyed primacy".

This empowerment of the employees to the exclusion of the outsider as a strategy ultimately backfired as it created an influential local union committee with three/four all powerful individuals. The researcher was told (resentfully) by many managers at Thane that the union committee is always consulted and their prior approval is taken by members of the other committees. The local union committee,

in the words of a junior manager, "has emerged as such a force that people are no more willing to go against it". A series of recriminations towards the end of 1987 resulted in the Works committee being defunct for about a year and the empowerment movement suffered a serious backlash.

There are currently other participative forums like the Safety committee or the Canteen committee which are also statutory requirements. The Safety committee, in spite of its statutory basis and importance for the organisation was defunct for 4-5 years and was only revived in 1990. The strength of the canteen committee as a participative forum is revealed in a union letter to the management in 1978 which reads, "The workers representatives on the Canteen committee have no power. They can only make suggestions and put forward grievances. The decisions are taken by the management". The union also holds indirect influence over these committees by nominating its members.

That neither the Bournville ethos of participation nor the local voluntary prescriptions were working is borne out by the fate of Shop Councils at the Thane factory. As a senior manager commented,

"Indira Gandhi made it mandatory in 1974-75 to have shop councils. It worked for six months to a year. It did not work because we started it under compulsion and not with convictions. Then, there was a change of government and the idea was not pursued".

In contrast, at Bournville, the Shop Council system started in the early twentieth century lasted well into the 1980s. If lack of conviction failed the Shop Councils, management's own creations like the Factory Committee or the Quality Circles did not survive either. The Factory Committee, created in 1985, was meant to formalise regular meeting between the management and the union committee. It consisted of four core members of the Union Committee and four senior factory managers. It met monthly or bi-monthly to discuss service problems and other matters of importance. The committee

lasted for no more than 2 years for reasons to be discussed later.

Even though the Works committee, the Canteen committee and the Safety committee are creations of separate legislation, in Cadbury India somehow the latter two are subordinated to the Works committee in a hierarchic relation. Matters unresolved in these committees are referred to the Works committee. Since the Works committee usually has the senior members from both sides, it automatically confers a pre-eminent status on it. Such a hierarchic linkage between these committees impels the union leaders to send ordinary workers as members of such lower level forums. The Cadbury management prefers this for such ordinary representation in the other two forums helps the management to push through some changes and to delay certain matters through protracted consultation.

Managerial representation on the participation forums is confined to few key managers of the factory who have daily interaction with large number of employees i.e. the production manager, the maintenance manager, the personnel manager. These managers see their role in the participation forum as a part of their functional requirement and organisational decree rather than founded on any conviction. Most other managers are ignorant about their working and often highly sceptical.

CONCLUSIONS

The conclusions of this section are as follows. Despite strong control relationship with its parent company in many areas, personnel and industrial relation matters in Cadbury India appear and are claimed to be decentralised. This decentralisation allows Cadbury India to have a less elaborate participation system than the parent company, but would not tolerate the subsidiary management going beyond what the parent company has. The convenience of this

form of decentralisation has enabled Cadbury India to operate with the legislatively prescribed minimum participation, and has enabled the parent company to look polycentric in practice and geocentric in principle. Some participation structures like TQM serve dual purpose as they are also a part of the competitive strategy of the parent company. Strict parental control in other areas has restricted participation in Cadbury India, which is characterised by absence of a company-wide consultation structure. Union response has set the tone of participation in Thane and management reaction has been shaped by such response.

6.4. PURPOSES OF PARTICIPATION: ORGANISATIONAL AND INDIVIDUAL

This section discusses the various purposes towards which participation is geared in Cadbury India as a clue to further understanding of managerial action in the participation arena. The section also examines managerial criteria for evaluating participation in the company, and how participation is used, under varying conditions, to strengthen the comprehension of the purposes. The data presented here is based on study of the few company documents, and interviews with managers and employee representatives.

6.4.1. ORGANISATIONAL PURPOSES OF PARTICIPATION

There is very little company literature or top management pronouncement explicitly delineating the purpose of participation in Cadbury India, which is a stark contrast to the Bournville situation. It was significant that managers very rarely talked of participation in Cadbury India in relation to Cadburyism or the tradition at Bournville.

The growth of participation in Cadbury India was largely explained

in terms of the strike and the lockout at the Thane factory during 1979-80. The events of the period go as follows. The management signed an agreement in 1978 with CITU leadership (Centre for Indian Trade Unions- a left-wing federation) which was then the recognised union at Thane factory. Some younger employees, unhappy with the agreement (and having failed to get it revoked by CITU), quit the union and went to Mr. K.H.Dastoor of ACW (Association Of Chemical Workers) who demanded a 40% bonus and submitted another charter of demands. Rejecting the management offer of a 20% bonus, in March 1980, the workers started go-slow and sabotage which lasted for a month. Finally, the management declared a lockout, and then Mr. Dastoor requested the management to lift the lockout and negotiate. On lifting the lockout, the management faced more unrest and the lockout was reimposed and continued till August. The problem ended with political intervention from the province's Chief Minister, following which a new management team took over the running of Cadbury India and the Thane factory.

The new management team faced the challenges of re-establishing its own credibility and legitimacy, ensuring workers' cooperation to make up the lost production and reducing the influence of external union leader and political figures over internal employee relations. These compulsions forced the management to take a long and hard look at its pre-1980 action and style of working which, many concede, was undoubtedly authoritarian and traditional. Strategically also, Cadbury India's total dependence in those days on Thane factory made confrontation risky. So an answer, an alternative, was perceived in participation. Thus, historically, participation has been a conflict containment exercise in Cadbury India. A key manager brought into the new team in 1980 told this researcher,

"1980 was a watershed as it changed the entire perspective of managing people. Earlier, subordinates were expected to quietly comply with orders and failure to obey entailed punishment. It was an iron fist in velvet glove. Come 1980, the entire workforce revolted against this kind of situation. Two things came out

clearly after the lockout- one, participation which was not a demand became a demand. The second, they demanded satisfaction from work. Though this demand was articulated by the workers, the need was felt right through the organisation including supervisors and managers. In pre-1980 days, the committees were there to comply with law. The spirit of participation was defunct and views of the members were only heard. In post-1980, the committees worked and the views of members were given weightage".

After the lockout, the participation committees were used to reinforce power bases of local union leaders as a counter to the outside leadership. But since the early 90s, the purpose has been to strengthen the participation forum at the cost of the now powerful union committee. The production manager commented,

"Without these committees, union committee will take up all issues.... Basically union involvement is power struggle, you need a forum to communicate with the workers. In works committee, it need not be a power struggle".

Thus, the participation forums have been key instruments of management in their attempt to retain control over organisational processes. One is inclined to believe that the emphasis on participation in the early 1980s was a tactical switch of the management to buy time until it reduced the business dependence on Thane factory.

In the absence of detailed articulation of purposes in company documents, the changes in the purpose of participation can only be inferred from various managerial actions. Though many consider a participation system inevitable in Cadbury India due to Indian legislation, its continuance, to some extent, is influenced by the "best practice effect". The management belief is partly based on the fact that participation is accepted as a progressive value in Indian industrial circles. The participation system in Cadbury India purports to inform the workforce about technology changes, production, productivity, quality and also serves as forum for problem-solving. These also act as feed-back mechanisms and early warning system. The General Manager of the factory explained,

"All problems may not be solved by individual managers and some need the top management attention. That is why we started it all. It also gives some satisfaction to the workers that somebody is listening to them and problems are being resolved. Grievances are not the only subject of these committees but demands form a major part of it...The management also realised that the days of all instruction going from top and the people taking it was over and that we need to involve people more in their work and decision-making". (Emphasis added)

A senior manager explained the intent of participation in business terms,

"Even today, all line managers do not share participation as a value. But today, it is a need of business and survival. If you need a committed workforce, you have to give them participation and involvement in what concerns them. There is no other way to survive in business and the region".

A senior Vice President said that "participation is used to secure commitment to organisational goals". However, participation as a business requirement is not shared by all and many managers still take a paternalistic view of it. A senior manager and the Chairman of the Works Committee said,

"The Works committee was defunct once for six months. One of the militant leaders wanted it run his way. He raised irrelevant issues. We are concerned with work related matters and not with matters between the union and the management which are irrelevant for Works committee. So they walked out. We said fine. It is meant for you and not for us. The new union committee came, they wanted it restarted and we did. We have given them the liberty to choose their nominees. If we select the members, they will say 'chamchas' (lackeys) were selected. So we let them nominate". (Emphasis added)

The above emphasis on the unitary aspect of participation is very recent and can be interpreted as a part of the wider strategy to reduce the union influence. Unification purposes (as conceptualised in 5.5.1.) have been distinctly absent in Cadbury India, possibly because of the sharp management and labour conflict.

These forums, particularly the now defunct quality circles, have also been sources of idea generation. But like all other areas, there is no unanimity among the managers about the intent of the quality circles. Some see it as part of broader employee involvement strategy of Cadbury India, whereas others see it as part of quality and competitive strategy. The Training Manager argued, "QC was meant

to create small work- group environment. It no doubt contributed to quality, but also changed the work climate. We got people working in teams and to that extent we succeeded tremendously".

So the organisational purposes of participation in Cadbury India are less articulate and less diverse than those of Cadbury U.K. Participation in Cadbury India lacks any moral overtones or even any lip service to sharing of decision-making. Only one manager even mentioned the latter. So participation in Cadbury India owes very little to the Cadbury tradition in the U.K. or at least, the actors in India do not see it as such. The Cadbury-Schweppes mission statements on participation, much in evidence at Bournville, were conspicuously absent in Cadbury India. No one had even heard of their existence.

6.4.2. PURPOSES OF PARTICIPATION AT INDIVIDUAL LEVEL

Though the organisational purposes of participation, as enumerated above, reflect only the managerial perceptions, it is important to discuss how the managers use the participation forums at a more individual level. It was found that at more local levels, participation has a high practical orientation. It targetted process issues like quality, hygiene, house-keeping, efficiency; inter-personal aspects such as feed-back, listening, assistance, grievance-handling and promoting understanding and other wider issues like target setting, problem-solving, cost reduction, waste reduction and creation of better work culture.

Many of these objectives, being instrumental, were often expressed in unitarist terms to emphasise their importance. A senior R&D manager said, "I like to consider all feed-back that might help the company. People should realise that there is communication not because of any laws, or to serve specific interests, but for the

company's interests". In the small-group atmosphere of the participative forums, many managers try to build a personal relationship with the employee nominees. These relationships are drawn upon at times of company's difficulty to build consensus and seek concessions.

Instrumental aspects apart, the value import of participation too was occasionally stressed, "Whatever be the end result, I would like to see that these are arrived at mutually and not in an authoritarian way". Participation's role in elite recruitment was also highlighted, "The works committee grooms internal leadership. The one time works committee members gain confidence to later become union committee members".

Strategically, participation was the management way of adjusting to a better informed, educated and better organised workforce. But the strategic aspects of participation are not lost on individual managers. A General Manager said, "We had to tell the worker why he needs to observe certain discipline about some processes and production etc. We thought if we involve employees directly, union influence over workers could reduce". A combination of personal values, instrumental objectives and strategy choices impels managers in Cadbury India to be participative. The Personnel Manager who spearheaded the charm offensive at Thane in post-1980 period said,

"I have a personal value about participation. Through participation, I wanted to give back to people their dignity...I found if you could raise workers' self-esteem, they co-operate with you. My colleagues in many functions do not share these values. In post 1980, one big job was to articulate our values and share it with colleagues". (Emphasis added)

The reality of this value conflict at individual level was expressed by the CEO of Cadbury India,

"My feeling is that there is no clear understanding of participation down the line, but we are trying to create such a perception. There are people in our company today, who feel and believe that participation is surrender. We are trying to educate that participation is not abdicating, it is communicating with employees at all levels so that problems are well understood and you get better response to company's problems".

This conflict and fear have restricted the full use of these forums for managerial ends though some purposes have been served which are discussed below.

Since the early 90s, the Cadbury management has partially succeeded in reducing the union committee's direct influence over the participation forums. Earlier, the union agitated even about safety and canteen matters. Now the respective committee members agitate these and union deals with man-power reduction, closure of lines and promotion etc. This change (which by no means signifies a complete dissociation of the union from consultation), is considered an achievement by some managers. The one-time Personnel Manager of Thane factory explained this change,

"When I went there, even to issue a warning letter to a worker, I had to take Mr. Dastoor's approval. In 1987, I fired about 15 workers for absenteeism and I just informed Dastoor. From a state of taking prior approval, I had come to a state where we could take disciplinary action just by informing them. They could not help the management but remained neutral when they knew the merits of a case. We had used the committees to build trust with the local leaders".

The above comment somewhat echoes the situation in Bournville prior to 1978. Other distinct and non-controversial achievements of the participation process were listed as the agreement not to give any construction work to outside agencies, changing of the chain hopper sizes on the feeding machine for efficient working, changes in the feeding material equipment leading to drop in accidents, the de-addiction of employees through Alcoholic Anonymous, vocational guidance and employee acceptance of safety shoes.

Managers who are not part of any of the participative forums look upon these as only grievance and demand forums where the management concedes more than it gets. The hostility of these managers was directed, in reality, towards the union and only incidentally towards participation. They consider the participation forums as the playing field of the union leadership which only strengthens union's power base. These managers attributed this one-sided character of

participation within Cadbury to the immaturity and ego of the employees. One manager elaborated on this aspect,

"These committees take up issues not within their terms of reference. The level of literacy is not high. The workers are not ready as yet for participation because they have no sense of responsibility and discipline. So they push for only material things. When the committee sits down, there is heated discussion, it comes down to accusations that the managers are looting the company, they are thieves. They blame the management for all things wrong, but when it comes to taking responsibility for setting things right, they are not prepared. They can say what the management is but you cannot say what the worker should be".

The production manager gave the example where the management had somewhat successfully persuaded the workers for staff reduction in wrapping section as a cost cutting measure. But later the union interfered and the move had to be shelved. Inability to push through managerial ends due to union resistance is taken as failure of the consultative process and surrender of the managerial control. Recently, these managers have been at the forefront of arguing that a more confrontational stance should be taken.

Though participation came as a response to a crisis, it worked against the management because the objective situations did not significantly alter afterwards. The General Manager of the factory explained,

"In 1979-80 lockout, a lot of things went against our anticipation...When we took to confrontation, we thought, lockout cannot last for more than 2-3 weeks because worker capacity, income and job opportunities were less. It went on for 6 months. We became desperate to reopen. The management and its confidence were shaken with this experience. We were afraid of someone capturing our market. So participation came out of this compulsion. Somehow the message of our dependency on the Thane factory and our vulnerability on that count reached the workers. We could not afford confrontation or shutdown, so we started giving in to their demand to avoid disruption in production".

6.4.3. CRITERIA FOR EVALUATING PARTICIPATION

The hostility of some managers to workers' participation in Cadbury India has been noted earlier. In view of that, it is apt to examine the basis on which managers evaluate the success and failure of

participation in Cadbury India and how such evaluation affects managerial action.

Though the Cadbury management in India has not undertaken any such systematic evaluation, individual managers listed wide-ranging criteria for it. These include quantifiable indices like the number of problems solved, productivity, growth of business, number of meetings held and attendance; intangibles like personal relationship, satisfaction of the workers and managers, trust and concern for people. The intermediate criteria included resolution of conflict, dealing with problems of only current relevance to the organisation, sharing of common goal and their consequences for the company.

Managers with an instrumental approach to participation used more unitary criteria for evaluation. One of them said,

"One big indicator of success is how many issues are there that involve 'We vs They' and 'management interest vs worker interest'. We forget that there is something called a company interest. When we take decisions with the company interest in mind, I will call participation a success". (Emphasis added)

Giving an example, he added,

"We had seen that often half-baked information goes to the workers. So, since 1980 we used workers' education to pass on information. Since then we have signed three settlements with about 5% productivity increase without a day's work stoppage. Now we are going to have another settlement where we will try for ceiling on Dearness Allowance and reduction of 50 staff. If we can do that then we can claim that we achieved something in participation".

The managerial and unitary perspective of the above criteria is very explicit. This unitarism was invariably linked to the concern for managerial power and authority. As a junior manager put it,

"We should not give in to demands just to be in the good books of the union. It is terrible to do that. You are misunderstood and taken for granted. When you want to be participative, workers see you to be weak. Participation should not be at the cost of organisational interest".

In spite of the unitarist notions about the company interest, the position of the management and the employees in various

participative forums were perceived to be conflictual- management as the upholder of the monolithic "company interest" which lies in productivity, control of costs, quality and hygiene; and employees as the self-seeking bounty hunters. Needless to say, most of these views come from managers resistant to the union and critical of its role. As the works committee chairman said, "The workers believe they should decide what they should get. That is what they think participation is". Those who use participation primarily for idea generation, find no conflict between management goals and the workers' goals in these forums. But the conflict between idea and implementation in terms of difference in approach was commented upon by a junior manager,

"Management is restricted in terms of budgets and impact of decisions. It often happens that works committee or canteen committee come out with recommendations which have cost implications or need existing rules relaxed which the management does not want. In that sense, there is divergence. There is divergence of interest in so far as what can be implemented but not with the ideas e.g. quality of canteen food".

Company prosperity and survival are accepted common goals for both the parties but the conflict is about common acceptable means. Unless the management convinces the employees about the contribution of some of the worker-unfriendly measures to these goals, and the unsubstitutability of these measures, the chances of convergence are limited. The training manager said, "If we can convince them that the Thane factory will be viable for next 25 years with cost control, then convergence will emerge. But suspicion eats into that".

Some argued that participation is a failure if it is based on compulsions or is used to express anger, which was the case, to a large extent, in Cadbury India. Similarly, hostility against the union was expressed in the criteria of managers who judged participation in terms of freedom from union intervention. Thus, experience in the participation arena was shaping the criteria of

evaluation. The duality of the management in treating the employees and the union as separate, and occasionally using the two as substitutes complicates this evaluation process.

In the absence of any top management coordinated organisational purpose of participation, any such evaluation in Cadbury India based on the various actor perspective moves around two themes: a) Whether management has overdone participation, leading to workers taking undue advantage of the system or b) whether management achieved some specific benefits which are difficult to achieve through normal industrial relation channels. The first perspective predictably comes from managers resistant to the union, who see the whole participation process as a sell out and depletion of managerial power. The typical argument in support of this view is that the union has achieved a productivity norm that can be achieved with four hours of work in a 8 hours working day, and an incentive scheme operates despite the low norms.

A junior manager argued, "We have been successful in increasing absolute volume of production but dropped in productivity. We achieved short run success at very high costs". The failure of the safety committee to go ahead with buying the safety shoes (in spite of management support) because of the union interference was repeatedly cited as the failure of the participation system. The state of the disbanded Factory Committee was related by a disillusioned manager,

"The factory committee became a forum for allegation and complaint. For example, a contract was given by the Engineering Department for restoring a silted old well. The allegation was that the contract was to dig for six feet and it was dug only for 3 feet but the bill was made for six feet. Allegations were made about alleged inefficiency and corruption of individuals. The forum was very demoralising. They wanted the satisfaction of having the managers apologise or accept mistake. We felt insulted and resentful as our answers were not being accepted. We became defensive. Management considered these as uncalled for interference and resented the union's self-righteous stance. You can't tell the union when you change every light

bulb and it is ridiculous to expect that. This union has a record of being hard headed, irrational and illogical".

The mood of this group was astutely summarised by the Personnel Manager,

"Managers and supervisors are reluctant to participate as they think that in most of these forums workers ask for many things which the management has to concede... They do not see the committees doing much for the relationship building either, since lot of questions are raised about the wisdom of various managerial decisions".

On the perspective of management gaining support through participation, some success stories are recounted. One prominent example of such success was gaining the union consent to transport 200 tonnes of Bournvita out of Thane for packing elsewhere. The union was persuaded to accept it in the name of "company interest" even though it meant loss of 40 jobs at Thane. Though the management argues that they gave the union nothing in return for this support as the matter involved vital interest of the company, there is evidence from the union sources, that a matter of union interest was favourably settled six months later. So success of consultation has often implicitly involved some kind of quid pro quo which is resented by many managers as too much consultation (to read as concession).

The foregoing discussion points to the fact that trivialisation, change of committee status or for that matter, instability of Ramsay's (1977) conception need not only materialise because of union power (or lack of it) or because of managerial refusal to recognise a union. Even with a recognised and organised union, the above situations can arise because of some deliberate managerial action, division within managerial ranks about participation and partial acceptance of union legitimacy.

6.4.4. TIME ORIENTATION OF PARTICIPATION

Consistency of managerial purpose in the participation arena, and the factors affecting such consistency, can be analysed with reference to managerial use of participation at different times with circumstantial changes. Increase in participative orientation of Cadbury after the 1980 lockout as a strategy to combat union and worker militancy has already been discussed in 6.4.1. Cadbury India is a glaring example of time specific usage of participation even though many managers disagreed that the nature and extent of consultation changes with the prevalent situation. The entry of Nestle into the Indian chocolate market was marked by a continuous written and small group communication from management to the employees and the union about relative strengths and weaknesses of Cadbury and what the company had to do to retain its competitiveness.

Some managers found that the communication to employees was more focussed and specific at times of business down-turn or competitive threat. Though it was acknowledged as opportunistic, managers agreed that in spite of their reservations about consultation, they did consult when the times were difficult. The Production Manager commented, "In adverse circumstances, we consult more, at least our enthusiasm is more. We require their help so we make them feel a part of the problem and the solution". The problems of such time specific usage of participation was explained by the General Manager of the factory,

"When we talk about competition, we know what we are talking about. The workers feel we are scared. Knowing Nestle's background and know how, we talked to them about it. They think we are not confident. We have to talk about it more and put all our cards before the workers. The orientation of management to participation is bound to change. So it is not a question of sharing more or less information, but what information".

From the fact that the researcher was given a five minute long discourse about Nestle's strength, one can imagine the extent of

communication that goes to the employees about it. But fear of the known and unknown has always been used to soften up resistance to changes considered essential by the management. So in times of real danger to the business competitiveness and survival, the message of the management is not taken very seriously.

CONCLUSIONS

The following conclusions emerge out of the foregoing discussion. The organisational purposes of participation in Cadbury India have been shaped more by the vicissitudes of its industrial relation and its business requirements than by a systematic management philosophy. Preservation and enhancement of managerial control over organisational processes have been the strong motives of the management in this process. At individual managers' level, participation is more instrumental in nature though its wider strategic aspect is understood.

Though participation's instrumental contributions to Cadbury India's business objectives supports a paternalistic and unitary approach by managers, the conflict-ridden industrial relation and resistance-prone union strengthen managerial hostility to the participation system. Success or failure of participation in Cadbury India is judged in terms of its implications for business objectives, managerial control and managerial expectations from the union. The growth and use of participation forums in Cadbury India, indicate an unevenness which has been based on managerial perception of their utility. Some forums are more emphasised than others and at certain times more than at other times.

6.5. ISSUES AND LEVELS OF PARTICIPATION

This section examines the issues and levels of participation in Cadbury India and how these are determined. In a legislation intensive industrial relation environment like India, the question of issues and levels of participation may seem to be predetermined. But legislation sets only minimum requirements and leaves a lot of scope for experimentation and organisational initiative. Organisations with a strong corporate philosophy about participation may be expected to lead than be led in that respect. Legislation is not always an antithesis of voluntarism but can be a predetermined foundation for it. In this background, discussion about Cadbury India can be illuminating. This section also studies the nature of prior consultation in Cadbury India, the exclusive areas of management decision-making, and the management response to workers' demands for participation in certain levels and issues.

A striking thing about Cadbury India is that it does not have any company-wide consultative structure as Cadbury has in the U.K. Having been a single site organisation for a long time, gives it a reasonable alibi for not having such a structure. But its current multi-site status has not inspired any change either. Rather questions on other sites are not very well received by the management at Thane, particularly because, at Malanpur, the management has instituted flexible work practices and tries to keep it union-free. The levels of participation in Cadbury India are based on the legislative prescriptions, but the issues discussed in those are determined by the company policy over which workers have very little control.

6.5.1. EXCLUSIVE MANAGEMENT JURISDICTION AND THE MATTERS OF
PRIOR CONSULTATION

Managers in Cadbury India see a large number of areas as falling within exclusive management domain of decision-making. These matters include a) business decisions, such as creating additional or alternative manufacturing facility away from Thane or third-party franchising; capital expenditure, diversification or line closure; b) personnel decisions like management recruitment, salary and disciplinary proceedings; c) product decisions like what product to make, product specification, packaging, pricing, product promotion and raw material purchase and all other decisions about marketing and finance. The management justifies such exclusivity on the grounds that these decisions require professional training and expertise not available with the workers in India as the literacy level is too low. Managers being responsible for the consequences of these decisions, it is argued, participation of workers in such decisions is untenable.

Interestingly, managers in Cadbury India are divided about what are exclusive management decisions and what are consulted upon. This division exists between senior and junior managers and between factory managers and those located at the Head Office. Plant shutdowns, for example, are viewed as unilateral decisions by senior managers, but the junior managers see it as result of consultation. The Head Office managers see shutdowns as unilateral decisions but most factory managers see it as "consulted about though it need not be".

The exclusivity of some areas like production runs and product mix was questioned by some managers who felt that often management is pressurised by the union to retain certain staffing levels. Idle workers around machines were cited as evidence of illusory exclusive

management control over staffing. The training manager said,

"Nowadays, there is no exclusive area of decision-making. If the union wants to talk about something, we do talk to them. At corporate level, there is sharing of information but the workers are not involved in the decision-making. Every 2 months, the Vice President (Personnel) briefs the Union Committee about the rationale of various decisions".

There is no system of corporate level consultation in Cadbury India except the briefing mentioned above which is a clear ex- post-facto rationalisation rather than active consultation. This briefing possibly takes place because the Head Office of Cadbury happens to be in Bombay and the union is legally recognised. In the absence of any regular forums for influencing the corporate level decision-making, the union uses various informal contacts to find out about what is going on.

The workers in Cadbury India have no area of exclusive control, however trivial. Indeed, many managers found such an idea very amusing. Even in cases like the Puja (Indian religious festival), picnic, the annual get-together, sports, workers' education tours, the details are left to the employees only within pre-determined budget and overall management guidance. Some managers interpreted the union freedom to decide its internal affairs as a concession granted by the management.

Cadbury managers used "prior consultation" to denote a number of things: informing, selling a decision, eliciting views and negotiating. As a manager put it, "Either there is consultation or the views of the other party is known. Usually consultation is negotiation and the distinction between the two is blurred". Matters of prior consultation were said to be productivity, production norms, system, equipment and processes, shifting of material, service conditions, safety, welfare matters, prizes and awards, shutdown, creation of alternative manufacturing facility, promotion, and start of a machine etc.- many of these are actually negotiated

upon.

Managers in Cadbury India who use prior consultation for idea generation and problem-solving at work and for communication, find it most helpful. Prior consultation is also used to gauge the magnitude of resistance likely from workers about a particular decision. For example, in May 1991, the management wanted to shutdown '5 Star' line for 2 weeks at a time when 100 people were already sitting idle due to the Bournvita shutdown. The union vehemently opposed the idea of two concurrent shutdowns and the proposal was shelved until normal Bournvita production resumed. In case of introduction of new equipment, prior consultation helps to pre-empt demands for incentive or payment to operate those.

Prior consultation has helped Cadbury management in facilitating short term changes and solutions to problems. Bournvita packing in three rather than two shifts, making display dummies on Sundays without affecting normal production, combining the worker and staff bus into one (resistance came from managers), withdrawal of transport facility on Sundays or movement of some machines from Thane to Induri factory were cited as some of the achievements of prior consultation. Despite the achievements, prior consultation is considered inherently oppositional, full of concessions and confrontation where the management gives more than it wants to and gets less in return. Prior consultation often was perceived as dilatory but a current investment for future dividend. Sometimes prior consultation is entered into with full awareness that nothing is likely to come out of it. This happened in a work area where management is trying to reduce two surplus staff and the consultation has been on for more than a year. Smaller issues of consultation are also used as bargaining chips in larger negotiations.

Unlike Cadbury U.K., there is no conscious attempt in Cadbury India to keep negotiation and consultation apart. Collective bargaining having a legal basis in India, it follows laid down procedures and covers defined subjects. Both the management and the union use consultation structure to avoid the procedural inflexibility and interference from government bodies in matters where they do not want to make long term commitments.

6.5.2. MANAGERIAL WILLINGNESS AND RESISTANCE TO PARTICIPATION

The strong reservations of a section of managers about participation has been referred to earlier. The negotiated outcomes of consultation often reinforce the managerial resistance to it in Cadbury India. As the Chairman of the Works Committee said, "We should not be consulting them in many of these areas. Giving them information is one matter but asking their permission is another. I don't consider it right that unless they say yes, we cannot do something". It was reported that the union is consulted about minor local matters as well as matters of significance like cut down in Bournvita production. In mid-1991, the union was successfully persuaded (a rare occurrence) to accept the shutdown of Bournvita and later the "5 Star" line. A Production Executive commented,

"Almost about everything, the union has to be consulted and I am not happy about it. It is no more in our hand to shut down a line- we wait for two to three months to get a decision. In the 1970s, every May, we used to shutdown chocolate and people were laid off due to lack of transport. Now behind every move, the union sees a management "chaal" (means "trick") and resists it. There is no healthy discussion".

Challenges to historical legacies of managerial control elicits fierce opposition to participation. Management, having done something in exercise of its freewill, when it finds that it cannot undo it the same way, begrudges the loss of flexibility and blames the consultation process.

The Bournvita shut down is a classic case of it. The Thane factory

added a ninth oven for Bournvita production to meet additional demands for a planned 2.5 months. Accordingly, 30 people were recruited. The planned timeframe proved too short and the oven was operated for 1.5 years which many managers admit, was a management failure in managing its production capacity. Having had the situation, when they wanted finally to shutdown the ninth oven due to huge accumulated stock of Bournvita, the union demanded that either all nine be run or none. The factory management was prepared to confront the union and close-down all the nine but the top management did not allow it.

There is a strong perception and feeling amongst the factory managers that the management at the head office negotiates and consults with the union, bypassing the factory management. This accentuates the resistance to the union as well as consultation process at the factory. A factory manager told the researcher,

"It is now time to say- Look Mr. HO, you are taking decisions without consulting me. I do not know what you are doing, decisions are shoved down my throat...Do not interfere directly with what we are doing".

But top management viewed concessions in consultation as tactical and not absolute. As a Corporate manager said, "We communicate to convince. When they are convinced, they co-operate. But it does not mean that if they tell us that we can't have a new factory at Malanpur, we won't have it".

Most of the managers interviewed were willing to involve workers in almost all areas of their job where they thought the workers could contribute. The QCs were looked upon as a missed opportunity for such involvement within Cadbury India. This involvement mostly meant suggestions and ideas beneficial to the business and production. However, this willingness was hedged with many riders and reservations limiting even opportunities for contributing ideas. One manager who claimed to encourage workers to contribute to quality, also said,

"Suppose we get raw material or packaging material which do not conform to specifications but are otherwise fit to use, I would like the final decision to be mine. When we do analysis, they come to know and raise issues".

Similarly, the Engineering Development manager said, "What machines can be made inside and what can be done outside is a decision where I would involve them and I do. But where to make a machine is my prerogative". Experience with the restrictive effect of participation on managerial freedom has made some managers weary of and resistant to it.

Thus, managerial preparedness to tolerate loss of control determines whether they see union activities as participation or as interference. This tolerance threshold also shapes the nature of participation acceptable to managers. In Cadbury India, workers are welcomed to participate at the proposal stage of matters that do not affect them directly. But this participation is unwelcome during final decision-making or the implementation. In contrast, in the administration of services like canteens, the workers are assigned responsibilities in order to limit problems resulting in union intervention.

Similarly, ideas and suggestions are the most beneficial yet non-threatening forms of participation which also satisfy the ego-needs of the workers. For example: in Bournvita mixing, each batch carried 990 Kgs. of mix whose throughput yield stood at 92% against the 95% expected and budgeted. On workers' suggestion, the batch size was reduced to 970 Kgs. and the efficiency reached 94.8%. These kinds of benefits induce some managers to tolerate participation despite its constraints. The QCs were introduced with such hopes but proved non-starters in Cadbury India. Currently, the hopes are pitched on the CWQI (Company Wide Quality Improvement Programme) which Mr. Pal has championed on inspiration from TQM programme in Cadbury U.K.

Planning, staffing, discipline, work allocation, suppliers, purchases, promotions of staff and choice of subcontractors are not subjects for consultation at Cadbury India. Plans having direct consequences for employee interests are never consulted at the formulation stage but ideas are solicited for their implementation. The union, over the years, has managed to acquire a degree of influence over staff promotions which is resented by many managers. But the management and the union are discreet about this consultation as the subject is very sensitive for both. Consultation in Cadbury India is a matter of pure cost-benefit analysis. For example, requests for reducing the production norm of Bournvita, in summer, due to the discomfort from heat is not discussed with the employees but the ways and means of improving comfort at work is discussed.

Though the managers in Cadbury India explained limited consultation in terms of perceived worker expertise and knowledge, it actually was an issue of managerial control. In this regard, the General Manager of the factory observed,

"If I want to change any processes in production, it should be left to me as long as I can explain why. Changing is my prerogative and I should have a free say. But, explaining is a responsibility".

But he had to sometimes consult on these matters. For example, in 1985-86, he discussed with the union, operators and workers about process changes reducing the Bournvita cooking cycle from 3 to 2 hours to ensure higher productivity. His compulsions were historical, as he explained, "Because of the ghost of 1980, we try to persuade and keep talking to the union. We may make few compromises rather than create ill feeling. This approach has often been misconstrued as weakness".

6.5.3. JUSTIFICATIONS FOR NON-CONSULTATION

Though instances of non-consultation were said to be few, all non-consulted decisions are justified in the name of "company interest" and occasionally details of the advantages to the company are given. All ex-post-facto rationalisation of decisions is aimed at creating a feeling of participation among workers. This, the management believes, is achieved through detailed explanation of the logic and purpose of the decision and sharing the data on which the decision is founded. During this data collection, the Cadbury management had prepared a Voluntary Retirement Scheme but was looking for an acceptable justification or negotiation openings to get union support for it. The unitarist argument of "advantage to the company is advantage to the workers" comes very helpful in rationalisation strategies.

Sometimes, understandings reached through consultation are also breached, and these breaches are also justified in name of the company interest. A former Personnel Manager of the factory recounted,

"When Bournvita had to be shifted bulk, we had an agreement to shift 200 tonnes a week. For six weeks, I shifted 225 tonnes. After 6 months, union realised that I had moved 150 tonnes more. It was a breach of trust on my part. I did it under sheer pressure from marketing people who felt it was essential. It affected my credibility. We froze subsequent shipments because of violent demonstration. I just admitted my guilt but emphasised that I did it in good faith".

Often non-consulted business decisions like new investment are legitimised by the management on the grounds that it is meant to enhance company prosperity which workers share anyway. If such a decision backfires (as did Cadbury India's diversification into biscuits), further legitimisation of new decisions on same grounds proves unacceptable. New justifications in such cases invariably claim that the new decisions are meant to protect company's existing prosperity (e.g. wages, employment, profits).

6.5.4. DEMANDS FOR PARTICIPATION FROM WORKERS

With the extent of hostility and resistance to consultation within Cadbury India, one might expect a greater demand for consultation from workers. Most managers explained the absence of such demand in terms of workers' reluctance to take more responsibilities. Occasional union demands for participation was seen by managers as selfish, and, if conceded, likely to adversely affect the company interest. Some managers ascribe the low demand for participation to their personal accessibility to workers, satisfactory pay rises in Cadbury India and ego-feeding of workers by telling them at every opportunity how important they are to the company.

Many managers fail to appreciate that the complaints of managerial inefficiency are, in fact, indirectly demands for participation (union leaders take such a view of the situation). The problem is exacerbated by managers' refusal to face this. In the Personnel Manager's view, such a managerial attitude was unnecessary for much of the demand is for mere information and not for substantive control. However, one manager articulated the opposite feeling,

"They have demanded more say and got it also. They demand participation as a matter of right and say things like- you have not told us this, so it won't happen. If you tell them before, they give you hundred reason why it should not happen and nothing happens eventually. We may even have to ask their permission to run the factory".

Managers resistant to consultation are prepared to give workers more say provided the workers and unions make a categorical commitment to cost reduction, quality and all such matters of company interest. Even participation at the Board level or in the Managing Director's Committee (the highest policy-making body) was acceptable on similar terms (despite managerial doubts about workers' knowledge, expertise and training and readiness for it). Currently, there is no participation at that level in Cadbury India. As a senior manager argued,

"Co-determination is the highest stage of participation. Unless one has done well in the previous three stages of information sharing, co-operation and consultation, one could not leap into the last one. We at Cadbury are still struggling with the first three".

In the absence of any immediate threat of legally imposed worker director, there is a staid disposition to the idea in Cadbury India. Wider managerial and business logic is used to keep participation more at the shopfloor level. As a manager said,

"A worker director is against the functional distinction between an executive and an operative... If the union says that it is management responsibility to manage, they should have faith in the management.....If things are being done in the company's interest and not so much in the employees' interest, one has to go ahead with it. Everything is dictated by business. I am talking in the context of the company's present circumstances where rationalisation in all aspects is needed. There is nothing to be apologetic about it".

CONCLUSIONS

This section concludes that the levels of participation in Cadbury India have followed the legislative minimum prescribed by the government of India, but the issues of such participation are more dependent on company policy and managerial perceptions of its control. Since the maximum provision of legislation is for factory level consultation, Cadbury management has effectively restricted employee influence over many company-wide issues by adhering to the legislative minimum. Many key issues of decision-making are treated as exclusive management jurisdiction, which further weakens the essence of participation even at the factory level. Legislative backing strengthens the position of the union in some areas of collective bargaining, effectively turning some prior consultation into negotiation. The management, in such cases, uses some issues of consultation as bargaining chips. Prior consultation is mostly based on a cost-benefit analysis and is used in matters requiring strong workers' contribution for achieving managerial objectives.

An inability to impose their decisions freely has generated a hostile response to participation from managers. The extent of their tolerance often shapes their attitude to specific issues of consultation. Non-consultation is justified by managerial ideologies of unitarism and managerial expertise which themselves are under question in Cadbury India. Questions about the legitimacy of these assertions have also been the basis of industrial conflict in Cadbury India.

6.6. POWER CONSIDERATIONS IN PARTICIPATION

This section addresses the issue of power considerations in the participation arena of Cadbury India and how the managers view the power-participation nexus. It examines, in that context, the position control in various forums, use of informal means for consultation in addition (or preference) to formal forums and the various proposals for changes in the participation system.

Managers at Cadbury India were mostly conscious of their position power which, they felt, was conferred upon them because of their professional training and expertise. The sense of power emanated from the decision-making authority vested in the manager, the resources given to implement the decisions, the control over people and the results. They found employee participation affecting it. As a senior General Manager said, "There is power as long as no one challenges it. I want to run six ovens of Bournvita but the union says you can't do it. Where is the power"? Another manager observed that the success of participation in Cadbury India depended on union's respect for management power.

Those who saw power as a process of influence rooted in knowledge and expertise, did not see participation affecting it, rather enriching and enhancing it when the expertise and knowledge is

accepted. But in Cadbury India, where managerial expertise and ability was being questioned, power was losing its basis. Many managers felt that there can be participation without, what they consider as interference and that form of participation does not affect managerial power. The Vice President (Personnel) attributed limited progress of participation in Cadbury India to the managerial fear of loss of power. The notion of participation as a means of channelling shopfloor ideas into managerial working was seen as strengthening managerial power than reducing it. It is this power that is sought to be achieved through CWQI and the Quality Circles in Cadbury India.

However, management persistence with consultation, according to some, is attributable to the fact that it helps to restrict union questions and misinformation. But management reluctance to answer employees' and union's questions has led a few times to temporary destability in the consultation structure. A company document records the following words of the President of the Union,

"There is no point in raising issues in the works committee if satisfactory answers are not forthcoming. Unless satisfactory steps are taken on the issues raised, we are not interested in conducting joint body meetings as they would be only eye wash and don't amount to management's genuine desire to be participative. Why should participation by workers be conditional and what is the harm if they raise questions about the payment to the contractors. Are we going to judge only workers' performance, or managerial performance as well?"

The personnel manager explained the situation,

"Most managers are resistant to participation for they see it as an unwelcome intrusion into their area. workers ask too many questions which the managers look upon as none of their business. Questions like repurchase of honey for honey eclairs, why packaging contract was given to so and so are raised. Many managers feel they are already adequately answerable without union asking more".

From minutes of meetings and discussions, it was gathered that various tactics (intentional and otherwise) used by management have limited the restrictive impact of participation on managerial freedom of action. These include frequent change of management nominees, nominated management members sending their deputies for

meetings, matters being preserved for consultation with HO, issues lingering from meeting to meeting and others. Managers also reported using the spectre of business downturn and threat of external competition like Nestle as means of softening questions and criticisms of managerial action. Constant communication of some of the key performance figures and their likely implications for the organisation is used to elicit and strengthen workers' co-operation. It is being extensively used by the Cadbury management and with definite effect. A local office bearer of the union told the researcher,

"They inform us about new factories but do not consult us. But we don't stop them, otherwise our business will go to other companies. We all are dependent on this company".

6.6.1. POSITION CONTROL IN FORUMS

In Cadbury India, management currently holds the controlling positions in various participation forums. Participation forums being low-profile in the organisation, many managers are not clear how some of these work and who chairs them. Though some managers said that the chairmanship of the forums alternated between the management and the workers, there was no evidence of it. A senior manager however, said,

"Till 1980, the Chairmanship of the works committee changed between the management and the workers every alternate year. The works committee used to function as per the ILO guidelines which suggested such rotation. The 1980-84 period was one of distrust and the works committee did not work for some time. If I were to introduce the worker chairman now, 50% of managers will resist it for there is still a desire for control".

The parallels with Bournville are unmistakable here. India's hierarchic culture possibly further contributes to the situation. Moreover, many government proposals like the Shop Councils and the JMCs discussed in Chapter 4, prescribe management chairmen for such committees and forums.

Managers in Cadbury India expressed their readiness to accept worker

chairmen only if the latter were as well informed as managers, were prepared to take responsibility for decisions and gave precedence to the company objectives. Maturity of workers to hold such position was repeatedly questioned and maturity here meant the ability and willingness of the workers to sacrifice their perceived interests for sake of managerially determined company interests. But the management chairmanship is maintained as a means of controlling the participation forums for "fear and lack of trust in the union", said a senior manager. Workers' lack of position power or authority to take decisions (participation is meant to share it!) was often cited as a reason for not giving them this role. Those who did not want to see it as a power process, explained manager chairmanship in pragmatic and functional terms,

"It is easier for a manager chairman to initiate action for he have executive authority. If something is to be implemented, it is far easier for a manager to go and speak to the concerned manager about it than for a worker even in his capacity as the Chairman of the Works Committee. We have grown in an atmosphere for last 25 years where the management is treated as supreme. ...A recommendation for a change from a worker chairman will be doubted by managers and they will check it up with their colleagues on the same forum. The worker chairman will also feel constrained to issue executive orders".

Even though the executive authority of a manager is used as a rationale for having a manager as the chairman, in reality, the managerial hierarchy is used to restrict the decisional role of these forums. The General manager of the factory said,

"I asked basically whether we should have some fallback mechanism in the factory as sometimes the members of the works committee ask for immediate decisions. If some issues of importance come up and the members see the senior most manager, they ask for an immediate decision which is not possible for any management to do particularly if financial implications are there. So we decided to have a fallback situation and the General Manager was excluded from the Works committee".

In the current climate of acute concern about managerial prerogative, power and autonomy, the concept of worker chairman is anathema.

6.6.2. USE OF INFORMAL MEANS

The union-management struggle in Cadbury India is played in various forms within the participation arena and goes beyond the formal forums. The extra-constitutional superiority of the union committee, its causes and consequences have been discussed earlier in 6.3.1. But there is evidence that the Cadbury management has tried to use, from time to time, alternative channels to reduce the influence of the union committee and that of the other forums as well. The first half of the last decade, saw efforts to strengthen the influence of the local union leadership within the factory at the cost of the external leader. The second half of the decade has experienced the strengthening of participation forums at the cost of local union leadership and through direct informal contact with the workers. The General Manager of the factory said,

"Six years ago once we relaxed the timings for playing games. We found people leaving the workplace early and taking short cuts to go and play carrom and we raised it in the Sports Committee. The committee decided to keep the facilities open only during the specified restricted hours and close it at other times. Some workers took it to the union committee who raised the matter with concerned managers and agitated. We had to reverse the decision.... There are many such examples where they obstruct even if we try alternative strategies".

Informal consultation is used in Cadbury India for a wide range of matters. It is preferred to the formal forums for the speed, ease and flexibility it offers. In potentially controversial matters, the informal consultation is used as a sounding board to find out the mood of the workforce before taking it to the formal forum. Once acceptance of the leadership or the opinion makers is gained informally, the matter is formally raised in the appropriate formal forum and disposed off. This, in reality, leads to the trivialisation of the formal forums. The collective psyche in a group situation is feared and is believed to result in unnecessary "posturing" that prove restrictive and obstructive. A manager said, "There is a danger in bringing a group together. An individual

person is more amenable".

This informal approach to consultation in Cadbury India began in the immediate aftermath of the lockout. In those days, the factory management took to regularly arriving at informal agreements with key local leaders about many small but urgent issues. Apart from being speedy, this was aimed at building more direct and personal relationship between the factory management and the local union committee so that the outside leader is marginalised in the day to day affairs. The top management at the HO, at that time, also held frequent informal consultation with the external leader. As a result, even today, he refuses to deal with the factory management much to its consternation.

In the process, as the local union committee grew stronger, the participation forums became weaker. The management tried to talk to the other joint committees and to raise their status so that the union's influence is reduced. But the stranglehold of the union committee over other committees has prevented any significant change to this situation. A manager narrated,

"Work shoes are a concern of the Works committee . Recently, it decided on a type of shoe which the union committee disapproved. So the Works committee did not go pursue the matter further. Management is forced to undermine the other committees out of sheer experience that nothing comes out of discussions in these committees. The attitude is why waste energy on these committees, let us concentrate on the main committee".

Thus, the management gets back where it started from. Management has tried other subtle forms like encouraging managers to come to understanding with workers at their local level without letting matters come up to either the Works committee, union committee or anyother. In some departments, like R&D, managers suggest to the workers that R&D work is superior to other work and in keeping with that elite status, problems should not go outside the department. Direct appeal to workers is attempted where more resistance is

expected from the union. The General Manager of the factory observed,

"There are some issues where we tried to talk to the worker direct. This is also a power game. When we made an attempt the union committee members resisted and came pouncing to us saying we could not do that. If management establish direct relationship, they become little shaky and worried. There is a feeling that the union committee is the apex body. Even members of the other committees feel so. We do not know how to change that feeling".

Management is unable to push the direct appeal to workers very far, for union has a legal recognition and beyond a point, direct appeal, under law, can be construed as unfair labour practice.

6.6.3. PROPOSALS FOR CHANGE

There has been virtually no change to the participation structure in Cadbury India over the years nor any attempt to fundamentally alter its character. The vehement opposition to consultation and union in Thane smacks of the managerial mood in Bournville in the 1970s. But the Thane factory is not a Cadbury family legacy like Bournville, and the new factories have increased the management manoeuvrability. Unlike Bournville, however, the management in India cannot just withdraw from the participation system and rebuild one of its liking. Legislation is a definite constraint. Currently attempts are on to integrate the somnolent Quality Circles into the Company Wide Quality Improvement Programme. Like the 'Cadbury Means Quality Programme' or the 'Manufacturing Excellence Programme' in the U.K., the CWQI is being projected as the future path of participation in Cadbury India.

Some of the senior managers at the factory want the revival of the shift committees. These failed in 1986 due to union fears that direct contact between the management and shopfloor would erode its influence. The union still maintains that its fears are well founded. Many managers seek an answer to the problem of union power

in further decentralisation of participation structure with more departmental committees.

The managers generally did not want the participative forums to be demand outlets but wanted suggestions and ideas for furthering company goals. Unredressed grievances, it was felt, led to questions about management intention, action and competency. One manager strongly advocated seeking opinion from more workers about facilities and welfare (e.g. safety shoes) and not just from the committees members. Such a move is likely to undermine the legitimacy base of the union leadership and understandably is being resisted by them. Some managers see the solution in demarcation of areas of consultation with workers where union would not have a veto power. Others seek a total separation between matters of consultation and those which are excluded from it.

Fundamental restructuring at Thane is considered an impossibility not only due to the entrenched position of both the sides, but also because of divisions within the management rank. A senior manager from Cadbury head office said,

"In our company, there are pockets of cultures. There are as many cultures as there are Vice Presidents. Each Vice President is a local hero and has a culture in his own area. In that sense, we are not very much of an organisation. Each V.P. has his own stamp. In spite of his convictions, Mr. Pal has not succeeded in persuading or instructing his top brass to share his values".

CONCLUSIONS

A predominant sense of position power amongst managers in Cadbury India promotes their resistance to participation, which is viewed as a constraint on this. Alternative notions of power based on managerial expertise do not make much difference to managerial actions in the participation arena, since such expertise itself is strongly questioned by the union. Because of certain conflict

containment effects, participation is tolerated by managers. Nevertheless, efforts are made to protect managerial power from encroachment through various means like informal consultation, direct communication with workers, appeal to reason and position control in forums. The battle for protecting managerial power has resulted in frequent instability in the participation forums. The various proposals for change floated by managers indicate the desire for protecting managerial control and power. Trivialisation through decentralisation heads the list of changes. The robust union resistance has limited the success of managerial action.

6.7. INDIVIDUAL MANAGERS AND PARTICIPATION

This section examines how managers in Cadbury India view their position within the participation system, its consequences for them and the organisational initiatives to influence them in this regard. It is important to study this as some perceptual and attitudinal dispositions can affect managerial actions within the participation arena.

Managers not particularly hostile to the union or participation acknowledged the latter's contribution to problem-solving and idea generation. But mechanisms, for example the suggestion scheme, have been victims of management-union antagonism. The General Manager of the factory described,

"A worker made a suggestion about overstepping of material. The evaluating manager remarked on it that the matter had been examined earlier and one should not take up such small suggestions. The worker took offence to the comment and agitated. We explained the matter but they wanted public apology from the manager. There was no real reason for the manager to apologise, so he did not. Dastoor was ready to drop the matter with removal of the controversial remark, but the local committee refused. Since then the suggestion scheme is non-functional".

The overall managerial feeling about workers' ability and knowledge, occasionally affects the managers' dealing with employees causing significant problem. But this perceived lack of expertise is never

directly used as a reason for their exclusion from decision-making for the fear of backlash. More acceptable logic is looked for. Though workers' knowledge of the shopfloor is acknowledged, it is not used in procurement of new machinery on the grounds of technological complexity involved in such decisions. So acceptance of worker's expertise has also been a matter of expediency.

Managers' wider information-base and the restricted nature of worker experience are offered as other legitimisations for the managerial monopolisation of certain decisions. The workers are expected to accept that ability to make decisions is an integral part of being a manager. The managerial responses often seem to argue that this ability is a feature of membership of the managerial class, irrespective of length of service, position in the managerial hierarchy and functional specialisation. Continued business success is the reinforcing element of this legitimacy. As a manager put it,

"If I say, I do not need "5 Star" and want to shut it down, you must believe me. I know the business and the marketing compulsions. So you cannot say no, you need 5 Star. I am protecting your salary and not retrenching anyone. There is no need to be apologetic about facts".

The implicit argument is that managerial accountability compels him to make the best decision and there can be no controversy about it. So such decisions must gain unquestioned acceptance as long as no visible interests of workers are directly affected. However, what affects workers' interest is often a matter of perception. The managers argued that even given the right kind of information, workers could not make as good a decision for they lack the perspective to use such information. The General Manager explained,

"We send coco liquor to Induri factory from here. On one Sunday, that factory was about to stop due to shortage of liquor. I got a message and I could spare only .5 tonne though actually a lorry can carry about 2 tonnes. I decided to send less even though the transport charges were higher. The workers viewed the decision as incompetent. You see, they lack overall perspective".

The workers, however, were questioning the whole failure to plan

production leading to such costly measures. The workers felt that the management does not relish even legitimate concerns coming from them. The training manager said,

"They sometimes ask questions whose answers possibly managers do not know. Questions like why get plastic caps from Goa and not from Bombay, why so many tonnes of wrappers lying around. I tell them that the one who is doing a job, knows it best".

The stronger and more vehement assertion of the superiority of managerial decisions by the managers in Cadbury India compared to the managers in Cadbury U.K. may be explained in terms of the former's higher formal education and professional training.

It was commonly agreed that without a clear directive and leadership from the top management, managers at the factory were unlikely to be more participative. The top management, in last ten years, has tried to persuade the managers to be participative (i.e. talking to the workers) but with little effect. The union attitude was blamed by many managers as the primary hindrance to consultation in Cadbury India and the union put forward the reverse case. The Materials manager said, "If the workers are responsive, we would love to be participative. If they do not curse and abuse managers then, there would be no barriers". However, another manager remarked, "Participation as an idea is accepted in Cadbury India but not its consequences".

The company efforts to make managers more participative and to create a participative culture has been founded on training programmes like the Grid seminars, Growth labs, sensitivity training and the introduction of Quality Circles and more recently, the CWQI. The QCs were part of an attempt to reverse the adversarial relation of 1980 and to reduce the influence of external trade union leader. In 1985, the management was also finalising plans for the Malanpur factory and did not want its expansion strategy disrupted by industrial action at Thane. So it had to assuage fears that Thane factory was going to close. Investment of time and money in QC

activities was a symbolic gesture towards that. The circles, started in 1985, did solve some production problems like the leaking of chocolate and other long standing technical difficulties. Many of these circles did not last long and in 1991, only two were surviving.

QCs, as some claim in Cadbury India, have also been the victims of management-union struggle. Some managers blamed the union for using the circles as forums of blame and centres of power. But it was widely accepted that the failure was more due to management weakness. A pro-QC manager said, "The management simply did not persist with the concept... Middle management commitment was absolutely zero". It may be argued that once the compulsions of 1985 receded, so did the interest in QCs.

The failure of QC in Cadbury India, also highlights the importance of individual managers in the success of the participation system. A certain senior manager's commitment to the QC was heralded as the "golden age participation in Cadbury India". A defensive and sympathetic General Manager said,

"I do not believe the QCs failed. It did not succeed. At the time of their nurturing, there was a break. Both the men who started it moved. For one and half years there was no force behind it. The factory manager who was very committed too moved. So it did not gather momentum".

A parallel can be drawn here with the Cadbury family's involvement with the Bournville system and its decay after the merger. It is clear that particular personalities may be crucial in the creation of particular forms within the participation arena.

The issue of factory management autonomy from the head office too is a factor shaping managers' role in the participation process at Thane. Management decentralisation certainly is an issue in that factory. As a senior manager of the factory said,

"If you want the manager to be participative, he must feel that he is a part of the management. Top management should be

participative in relation to its managers for him to be participative downwards".

During this data collection, a series of meetings called LENS (Leadership Evaluation And Strategies) Meeting were taking place. In these, senior factory managers and the HO managers discussed erosion of authority, loss of power, domination of union, loss of right to manage and interference from the HO. The magnitude of the last problem was high enough to be an item for discussion. The Company Chairman played down the issue saying that the Thane factory had slight disadvantage in being closer to the HO and that the outside union leader always preferred to deal with the HO than the factory for egoistic reasons. Some managers complained of the HO changing previously agreed decisions under union's pressure without even taking the concerned managers into confidence. But the Vice President (Personnel) commented,

"At the HO, we believe that the factory management has lot of autonomy which is not utilised. But they feel otherwise. There is an attitudinal difference here which needs to be sorted out. By autonomy, I mean that they can take all decision excepting decisions about major capital expenditure and certainly they can decide in people related areas".

Direct top management intervention in the factory is a legacy of the lockout days, which today, puts the factory management at the receiving end from both sides. This has indirectly affected the willingness of the factory managers to involve subordinates in various organisational processes. Since the top management cannot be a legitimate target of public criticism, anger and frustration, it is being directed more at the workers and their union.

Individual manager's attitude and beliefs, behaviour and symbols are also seen as crucial in deciding the fate of participation. The Personnel manager said,

"The first thing to look at is our belief systems. We always look at our servants as subhuman beings. We look at our workers also the same way. Participation requires high level of internal sense of security but most managers are insecure".

But the limits of participation were seen to be determined by the

broader employer-employee relation within the organisation which, in Cadbury's case, left much to be desired. The General Manager of the factory explained it,

"Shutdowns are nothing new to us. In 1960s, we had no cold vans to transport chocolate, so in summer, our sales used to drop and we used to lay off. The old workers have a fear. The Company now having additional units at three places, people believe anybody who talks of layoff. I got to know recently that the union has said that the sixteen people taken recently will be laid off due to Bournvita shutdown. Actually we had taken a stand that nobody will be laid off. They created an impression that they fought and protected workers' interests. One cannot know how serious the union is.

On the other side, all said and done about management policy and philosophy, each manager will have own style and manner of working".

In a way, both macro and individual factors are affecting the management action in the participation arena of Cadbury India.

6.8. INFORMATION DISCLOSURE IN CADBURY INDIA

This section discusses the information disclosure process in Cadbury India with reference to what information is disclosed, when and how and what is kept from workers and why. As discussed earlier, one basis of legitimization of managerial decisions in Cadbury India has been the availability of more and better information to the managers. Thus, information is a major resource in the participation arena, particularly because Indian legislation is silent about its availability to the employees and their representatives.

Apart from the participation structure, the Shivjayanti celebration (a socio-religious gathering held annually within the Thane factory premises for the employees and their families), is claimed as an important forum for information sharing in Cadbury India. The Chairman and MD, Mr. Pal said,

"I regularly attend the Shiv Jayanti and have not missed for last 10 years. I take this opportunity to talk and communicate. It is a one-way communication for there are thousands of people where I speak about our achievements and challenges".

In spite of the importance attached to this gesture by the company,

it is hard to discover what useful purpose it serves. One Shivjayanti fortunately coincided with the researcher's presence. The information communicated there was mostly known to the workers already and had nothing directly to do with their families. The festive atmosphere of the occasion hardly contributed any serious note to the information being given out. The other forum of information disclosure is a half-yearly communication meeting of Mr. Pal with the Managers and supervisors at each factory, from where the latter are supposed to carry the battle cry on to the shopfloor. This exercise was hardly mentioned by other managers, indicating the seriousness with which it is taken.

In the absence of any consistent and commonly understood policy on information disclosure, every activity with potential for information is seen as a process of disclosure. Other than among very senior managers, information about the parent company is generally very poor. On this aspect of information, Mr. Pal said,

"We do share general information about how the parent company is doing worldwide, any new acquisitions or any new product lines. I share these in the communication meetings I have. I keep them informed and clarify their doubts. There is nothing that we don't share about the parent company unless it is sensitive".

Cadbury India is perceived as a secretive organisation by most of its managers. But recently, the pressures and the needs voiced by various sections including managers have encouraged more openness. The information that is not generally disclosed covers a wide spectrum of subjects like costs of factory output, raw material costs, Factory Inspector and Boiler Inspector's reports, profit margins on particular lines, likely movements on management levels, contracts, performance against targets, production data of factories, capacity, business plans particularly about shifting of products between factories, company strategies.

Much of this information, as reported by managers, is kept

confidential on the grounds of their sensitivity for competition. Withholding some information was a gag on employees' demands and questions as information can be a basis of further queries. As such, the questions about managerial competence and decisions being rampant, non-disclosure proves an attractive option. Lately, these questions, as noted in earlier sections, have been a serious cause of friction within the participation arena.

The information self-disclosure in Cadbury India is guided by calculation of benefits derivable out of such disclosure. When disclosure increases potential for managerial control, then it is disclosed. For example, cost data was a management privilege for a long time. But with the entry of Nestle and in the face of rising costs at Thane, sharing of cost data was potentially more useful for the management than holding onto it. Nestle's entry into the chocolate market in India gave Cadbury management a perfect justification not only to disclose Thane costs but also to compare it with that of Malanpur. Such comparison strengthens the case for the management.

Selection of timing for disclosing decisions or intentions is a crucial variable in determining the managerial control over a situation. The disclosure of decision to make or package Bournvita elsewhere was synchronised with either accumulation of stock on the shopfloor or the movement of the competitors manufacturing facility to a low cost region. Half-truths too are economically shared based on management perception of its potential use and implication for managerial control.

Even the senior union leadership within Cadbury India is not trusted for the purpose of information disclosure as its loyalties to company interest are suspect. A second union (which is very regional and parochial) is trying to get foothold in Thane and the management

does not want it. Information can be a key variable in the struggle between the two unions in securing support from workers. So the management is keen to prevent any inadvertent slippage complicating the situation. Some information, if disclosed, may not support many of the management assertions which otherwise are sustainable. A senior manager of the factory said,

"I have asked the HO for a separate balance-sheet for the Thane factory. Since we are saying Thane is unviable, even managers and supervisors are interested in it. But the top management did not want it. It may be difficult to work it out separately. But actually, Thane is not unviable, it is uncompetitive".

Information that is very willingly shared by the Cadbury management include labour costs, customer complaints about product, hygiene issues, financial condition of the company, competition situation, market performance of products, reduction in manpower and technology. Costs being a key aspect of current management strategy, two documents titled "Emerging Competition" and "Cost Consciousness" have been in circulation after Nestle's emergence on the scene. The General manager of the factory added,

"When we tell them things, they feel satisfied that someone told them, negative feeling is reduced and ego is boosted. We have to selectively share information depending upon the environment and how their mind works".

Information disclosure, thus, plays a role in the creation of a psychological sense of power in the employees.

CONCLUSIONS

The previous two sections point to the following conclusions. Both organisational and individual factors are affecting managerial actions in the participation arena of Cadbury India. The organisational factors are the strong union, history of frequent labour-management friction, and the issue of head office control over the factory. The divisions in management ranks are mostly based on individuals' attitudes to workers, beliefs about workers' ability, and values concerning employer-employee relationships.

However, managerial beliefs in these matters in Cadbury India reflect managers' experience of the protracted power struggle with the union. Individuals are key resources in the working of some participation forums, and overall management commitment in some cases has been temporary and instrumental.

Information disclosure has been a key resource in the managerial actions in the participation arena. Cadbury management in India selectively discloses information and decisions only at times when this can be used to increase management control over business objectives and to justify its strategies. Legislative silence over timing adds to management's tactical advantage.

OVERALL SUMMARY REMARKS

In this chapter, management action in the participation arena of Cadbury India has been analysed in comparison to participation in its parent company. This discussion is rooted in the actor perspectives gathered through interviews, study of company documents and retrospective analysis of some management actions.

It was observed that Cadbury U.K. has control over many strategic aspects of Cadbury India's decisions, which limit the key dimensions of the participation arena i.e. the issues and levels. This is reflected in the absence of a company-wide participation structure in Cadbury India. Management of Cadbury India obviously cannot share decisions over which it does not have complete control. The parent company's approach of decentralisation justifies the minimal legally prescribed participation structure in Cadbury India. But managerial perception of likely intervention by the parent in the participation arena- should the host management exceed its brief- also limits host management's freedom of action. This is borne out by the host management experience of parental pressure during the lockout in the

late 70s.

Ideological exercises by the management in Cadbury India have been limited compared to those within the parent company. This is because of the intense power struggle between the union and the management, where the legitimacy of management expertise often has been questioned. Managerial action and attitude in the participation arena are directed towards protection of managerial power and control through tactical switches of managerial patronage. Environmental pressures and factors like labour legislation and political initiatives have influenced management action in the participation arena.

Business objectives like cost reduction, diversification, and the creation of new production facility have temporarily changed management position with regard to participation. Exercise of explicit power by the management being circumscribed by law, Cadbury management in India have taken to tactical actions that have resulted variously in trivialisation, change of committee status, instability, and, occasionally, success. This is despite the presence of a strong and recognised union.

CHAPTER 7 PARTICIPATION IN ICI U.K.

INTRODUCTION

This chapter analyses the managerial action in the participation arena of ICI U.K. Though the focus is on its Gloucester factory (in the Fibres Division), the analysis also covers the relevant aspects of the overall participation structure in ICI. This discussion is founded on the data collected through interviews with actors in ICI's Gloucester factory, study of various company documents and the researcher's non-participant observation in some participation forums.

The chapter opens with brief description of the growth and distinctive features of ICI, followed by a similar discussion about the Gloucester factory. Next the industrial relation situation and the participation structures, past and present, in ICI and the Gloucester factory are examined. The chapter then examines various purposes for which participation is used in ICI, the levels and issues of such participation and the power considerations involved in managerial actions. Managerial handling of information as a resource in the participation arena is also discussed.

Like Cadbury Limited in the U.K., ICI Plc has been a fertile ground for research leading to an array of literature on the company. In addition to a comprehensive history of Imperial Chemical Industries by Reader (1970 and 1975), there have been specific studies about changes in work organisation with the Weekly Staff Agreement (Horner, 1974; Roeber, 1975), the impact of MUPS (Manpower Utilisation and Payment Structure) proposals (Paul and Robertson, 1971; Robert and Wedderburn, 1973) and the work of Cotgrove et. al. (1971) about productivity bargaining and job enlargement within ICI and its implementation in the Gloucester factory. However,

Pettigrew's (1985) work, which focussed on the organisational development activities in ICI, does not cover the Fibres division. Clarke (1982 and 1986) has studied the international division of labour within ICI and the phenomenon of plant centrality within its Paints division. More recently, Marchington et. al. (1992) appear to have studied employee involvement in ICI's Gloucester factory (along with many other companies) though they have attempted to mask its identity. The current research is probably the first one to focus on employee participation in this enormously large organisation in the context of its multi-national character.

7.1. THE ORGANISATION: IMPERIAL TO INTERNATIONAL

This section discusses the growth of ICI and its Gloucester factory along with their distinguishing features. The purpose is to put the subsequent analyses about participation in the company and the factory in their proper historical and business perspective.

ICI owes its enormous size to the nature of its origin. It was born out of a merger between four organisations in 1926, of which, the two comparatively stronger and successful ones were the Nobel Industries Ltd., a powerful explosives firm and the Brunner, Mond and Company Limited, a large alkali company. The other two partners in merger were the British Dyestuffs Corporation and the United Alkali Company Limited (Reader, 1970 and 1975). The merger having given it a substantial presence in the U.K., ICI moved for global expansion and like most other British companies of the time, its first stops were the erstwhile British colonies. The word "Imperial" in its name, was possibly a reference to the early sphere of its operation (see Pettigrew, 1985). However, its early interest also in German chemical industry and dominant North American players like Du Pont, has been noted by Reader (1975).

Up to 1972, ICI was the biggest chemical company in the world (Pettigrew, 1985:69). Though gradually it has lost its primacy within the world chemical industry and as the largest manufacturing organisation in the U.K., its international status has grown manifold giving it the name "International" rather than "Imperial" Chemical Industry (see The Economist, 15th March, 1980:75). The rationalisation and closure of plants in Britain and creation of new production capacity in the U.S. and Germany are seen as part of ICI's further internationalisation strategy (Lash and Urry, 1987). It is reported that by 1985, 60% of ICI's world-wide assets were located outside the U.K. and 20% of its shares were owned in the U.S. (The Guardian, "The Imperial Initiative", February 19th, 1985, pp24). A company document of 1991 declares it to be "the most international of the world's chemical groups". (For more about ICI's historical position in the Chemical industry of the U.K. and the worldover, see Reader, 1975 and Pettigrew, 1985).

Geographically also, ICI is widely dispersed. It manufactures in 40 countries, sells in over 150 countries, has over 600 locations worldwide and manufactures about 15,000 products (1991 July figures). It has a group employee strength of 130,000 and 51.8% of its employees in 1988 worked in overseas operations (source: Report of Centre For Multi-national Corporations, 1988:New York). ICI has a very complex set of businesses formed into a divisional structure in the U.K. In 1983, ICI was divided into eight divisions (Fibres, agriculture, paints, explosives, pharmaceuticals, petrochemicals and plastics, organic chemicals and general chemicals) reporting to the main board. The board monitored these divisions through systems of planning and budgetary control. These divisions, as Pettigrew (1985:ix) notes,

"Have quite different organisational histories and cultures. However, even with all these cultural diversities, it has had elements of a common company culture which at various times could be described by adjectives such as technological, stable, conservative, caring, intellectual and in certain spheres of operation, open to the outside world".

7.1.1. THE GLOUCESTER FACTORY: PAST AND PRESENT

The Gloucester factory is a part of the South West Works of the Fibres Division. This division currently consists of 4 sites, Harrogate (which is in the process of closing down), Doncaster, Pontypool and Gloucester (the last two together form the South West Works). Earlier the Fibres Division had also had units in Northern Ireland, Scotland and Wilton in Teesside. These were closed as a part of the trimming and slimming of ICI in the early 80s when its Fibres business was making losses worldwide due to recession, over-capacity, market saturation and stiff competition. The other sites survived with reduced staffing, and further reductions came in 1982 due to the second wave of recession.

The Fibres business is a relatively new one for ICI. The swings in ICI's interest towards Fibres business for fear of Courtaulds (the then leaders in viscose rayon in the U.K.) coupled with its own flourishing interests in chemicals has been noted by Reader (1975). The Nylon Agreement of 1939 between ICI and Du Pont was the beginning of ICI's dabbling with synthetic fibres. Later, in 1940, under a mutually protective arrangement between ICI and Courtaulds, British Nylon Spinners (BNS) was set up as a joint-venture with equal share-holding. Reader (1975) notes that around 1949, ICI independently ventured into making man-made fibres (inspired by the invention of Terylene) which led to a rift with Courtaulds.

The Gloucester factory too is a relatively new addition to ICI and therefore, is not to be taken as a part of the old ICI set up. It was created as a part of BNS, and started production in May 1960 with 1000 workforce. In 1964, ICI bought the Courtauld's half of the shares in BNS and in 1965, ICI Fibres limited was formed as a wholly-owned subsidiary of ICI. The growing demand for Nylon at the time brought about the expansion of Gloucester factory which, by

1965, was employing about 2900 people. This factory became a pilot site for the MUPS proposals, which according to a company document, was "at the forefront of contemporary industrial thinking, later becoming the Weekly Staff Agreement". The MUPS and its implementation have been extensively discussed by Cotgrove et al. (1971) and Pettigrew (1985). The latter saw it as a response to competitive pressures, technological changes and obsolete wage systems. The impact of MUPS on the participation mechanism will be discussed later.

In 1982, the Gloucester and the Pontypool works came under a single management structure to form the South West Works. The Gloucester factory houses the Fibres Research Centre which provides research (both fundamental and applied) support to ICI Fibres in the U.K. and Europe. From 1985 onwards, this site has seen investment in high-speed precision machinery which has caused pressures on the levels of employment, altered the nature of work and has affected general management-employee relations. The growth of spinning machines from 30 to 80 over the past years signifies the tremendous strides this factory has made.

Today, it produces over 100 products employing over 1300 people. The yarn produced here has a large export market with 400 customers spread over 34 countries. The fate of the factory is closely linked to the export market as three quarters of its output is exported. The end-use of this yarn is diverse. The prestigious "Tactel" fibre is used in ski and sportswear; industrial yarns are made into computer ribbons; some of its products go into making of parachute cords, ladies lingerie and hosiery, heavy duty conveyor belts, even for tennis racquet strings. Thus, the end-users of its products are located in diverse industries. The factory is headed by the General Manager Works who also heads the Pontypool factory.

CONCLUSIONS

The broad conclusions of the data presented so far are that ICI is a truly multi-national organisation. The majority of its employees being abroad, it is one of the most appropriate cases for study of employee participation. The Gloucester factory is a high-technology factory catering to an export market that has experienced tremendous business pressures in the last decade. These pressures have affected employer-employee relations. But the relatively new comer status of the factory in the organisation has made it a testing ground for fresh managerial initiatives like the MUPS.

7.2. INDUSTRIAL RELATIONS IN ICI: CASE OF CONTINUITY

This section discusses some of the significant features and factors shaping industrial relations in ICI over the years. The industrial relations of the Gloucester factory are also examined within the company context. Participation structures of ICI and the Gloucester factory are analysed as integral parts of their industrial relations system.

The fact that ICI came into business with about 33,000 employees makes industrial relations historically a subject of importance within the company. Commenting about it, Reader (1975:57) writes, "From the start, therefore, ICI was a large employer- so large, indeed, as to be in a position, along with two or three other very large firms, to set the tone of policy towards labour, staff and management in British business generally". Surprisingly, despite making such significant observation, Reader (1975) has devoted a mere 14 pages to labour relations within his voluminous history of ICI. Thus, the history of its industrial relations, and particularly that of its participation system is not well documented. This is more true of the Gloucester site. Reader (1975) has, however, noted

that the differential in economic and commercial strength of the four founding parties of ICI was reflected in the shaping of its industrial relations, attitude to employees and the role of employees in organisational processes.

ICI's labour relations policy in the late twenties is said to have been greatly shaped by the old Brunner Mond ethos of employee relations. Even, the first Chief Labour Officer of ICI was an old Brunner Mond hand. Reader (1975:59) describes Alfred Mond's (the head of Brunner Mond during the merger) outlook about labour relations as "essentially that of the late Victorian paternalist employer". Mond's (1927:110) unitarist conception is reflected in his statement,

"We still read about employers and employed, masters and men; whereas we all know that they are all employed....The true phrase today is "co-workers in industry". They are co-workers in different capacities and at different salaries, but are all dependent on the prosperity of the industry for their remuneration..."

Other contemporary evidence suggests that this unitarism was an ideological exercise meant to defeat the real conflicts of interest. Writing about a new salary structure in 1927, Henry Mond, son of Alfred Mond, (1927: Preface to "ICI Partnership Scheme") observed, "An improvement in the official grade and status of the older and more reliable workmen would be enormously appreciated by them and would bind them more closely to the Company's interests than to the interests of the working class". The Chief of Central Labour Department of the time also saw union as the source of distortion in common interests of the labour and the management.

The Mond tradition of enlightened paternalism had ingredients like eight hour working day, holiday with pay, housing, school and recreation clubs and most importantly, an employee share ownership scheme. Alfred Mond had great faith in the efficacy of this last element in integrating employees into the organisation. He wrote (1927:4), "The best answer to socialism is to make every man a

capitalist". But Mond's notion of co-partnership stopped at profit-sharing.

In the last quarter of 1927, Mond announced a policy document titled "Labour Programme of Imperial Chemical Industries Limited". As Reader (1975:60) notes, "In spirit and in general outline, the programme announced on that day remained unaltered until national conditions began to alter radically during the second world war". There is clear evidence from Mond's statement at the time that the above policy announcement was specifically meant to assuage the anxieties of the workforce caused by the merger and thereby, to prevent the workers coming under the influence of, what Mond called, the "wrong type of trade union leader". The policy, he hoped, would ensure industrial peace in ICI (which Brunner Mond had always enjoyed) by giving workers security and status. Thus, ICI's initial labour relations policy was meant to increase overall management control over labour by keeping union leaders, unacceptable to the management, out of ICI. It also aimed to to buy the loyalty of workers to the company through appeal to unitarism and incentives of shares and specially designed salary grades. The irony was that Alfred Mond was simultaneously involved in discussion with trade union leaders outside ICI about "full recognition of the unions" and the creation of mechanisms for "discussion and negotiation" of mutual questions of interest.

The unions, at the time, could not fight back because of their general weakness and the fragmented nature of union membership within ICI. Particular unions operated only in particular business areas (e.g. T&GWU within the Metals Group) and no single union had influence across the company to build up a general resistance to these policies. The fragmented nature of unions contributed to union rivalry and jealousy which was well known to the management (Reader, 1975:65). Thus, Reader (1975:66) notes that ICI's labour policy was

launched "against the impotent hostility of the unions".

Another remarkable feature of labour relations within ICI, from the beginning, has been its centralised control. All labour relations policies and wage negotiation parameters have traditionally been controlled by the Central Labour Department. The experience of this researcher in gaining research access to ICI, corroborated the continuing centrality of the Head Office Personnel Department. The main board historically has had final say over all the investment decisions and also has been the final arbiter of the personnel policy. Reader (1975:478-79) writes,

"Just how dictatorial the ICI central management could be, when unhindered either by internal tension or external countervailing power, is shown by the conduct of labour relations in the twenties and the thirties. Mond's policy, which became ICI's, was enlightened in content and benevolent in motive. It was also thoroughly repugnant, in some of its most important aspects, to trade union sentiment. The unions at the time were weak, and the whole programme was carried through with no more than a polite nod in their direction, in the hope that it would detach the men's loyalty from them and fix it firmly to ICI".

However, industrial relations within ICI has moved with time and the influence of Mond type of labour policy has possibly declined though some elements of continuity e.g. centralisation still persist. Reader (1975:479) observes,

"...In ICI, as in other powerful organisations, there has been a tendency to push strength as far as it will go. The corrective is countervailing power on the other side, and the narrative set down in this History suggests, in ICI, sufficient political skill and sense of public responsibility to respond to movements of power and opinion, at large and to adjust opinion continually to the mood of the times. Post-war labour policy in Great Britain, for instance, was consciously shaped to fit the new strength and temper of working class opinion..... though at the same time the Board was prepared to stand against pressure in what it considered mistaken directions".

The latter part of the observation has been borne out by the criticism ICI management received for its refusal to grant negotiating rights to white-collar unions (see Pettigrew, 1985:400).

Though the Gloucester factory is a younger member of ICI, it shares one of ICI's strong elements of continuity i.e. the relative industrial peace. In the thirty years of its existence, the Gloucester factory has seen no major strike excepting some sectional half-day protest stoppages. The major trade unions operating here include T&GWU, the AEU, the EETPU and ACTS (MSF).

7.2.1. PARTICIPATION STRUCTURE IN ICI: PAST AND PRESENT

The rest of this section deals with past and present participation structure in ICI and in the Gloucester factory. Apart from the labour policies, Alfred Mond had also transplanted into ICI, a modified version of the Brunner Mond Works Council scheme. The ICI structure had a three tier arrangement, at the base of which was a Works Council in each factory with equal number of management and elected workers' representatives. Above it, were General Works Councils, appointed by the local Councils from their ranks, to discuss matters concerning groups of factories. At the apex, was the Central Works Council- a body bringing the whole of ICI together. This was chaired by Sir Alfred Mond.

The Councils, as reported by Reader (1975:61), were purely consultative and had no executive powers. Most of the matters within their ambit were welfare oriented. Important subjects like wages, hours of work and conditions of work were excluded from it; presumably as subjects for negotiation. Exclusion of some such subjects was probably a gesture to the unions for their co-operation. The Councils were designed "to give the management opportunity to give information to the workers" but the information given was purely managerially determined and the council members had no right to information. The in-house magazine was the other mode of information sharing. The Councils were also meant to give the satisfaction to the workers that some of them had the access to,

what Reader (1975:62) calls, the "remote figures of power, the ICI Directors". The Councils, in modified form, continue to run even today.

The existing structure of participation in ICI has been instituted through a National Agreement on Joint Consultation between the management and the signatory unions for weekly staff, arrived at in 1971. This provided for consultation structure only at the plant and the works level. The structure at the company level was left to be determined based on the experience of this experiment.

The purpose of this Agreement was to "establish a system of joint consultation...which will more closely involve the signatory trade unions in the process of consultation between the management and the employees". The Agreement had some novel features and its timing was interesting as well. The trade unions within ICI, and nationally in the U.K., gathered momentum in the late sixties and early seventies and the consultation agreement was a step in consolidation of their position. Moreover, the management needed the support of the unions at this time to implement the MUPS programme. So the Agreement was a outcome of the combination of management need and union power. The union power was visible in the very first provision of the Agreement which reads,

"The system of Joint Consultation within the Company will be based on the principle that shop stewards, and (where appropriate) other Signatory Trade Union Members will be the employees representatives at all levels of consultation".

The Agreement provided for all signatory unions to be represented at the plant and works level consultative bodies. However, it was agreed that to higher bodies i.e. divisional or company level, the union representatives need not be from all the unions on a site. In effect, it meant that whichever union's nominee(s) goes from a particular site, he will be deemed to be representing all the employees on that site irrespective of their union affiliation. The

significance of this provision will be discussed later.

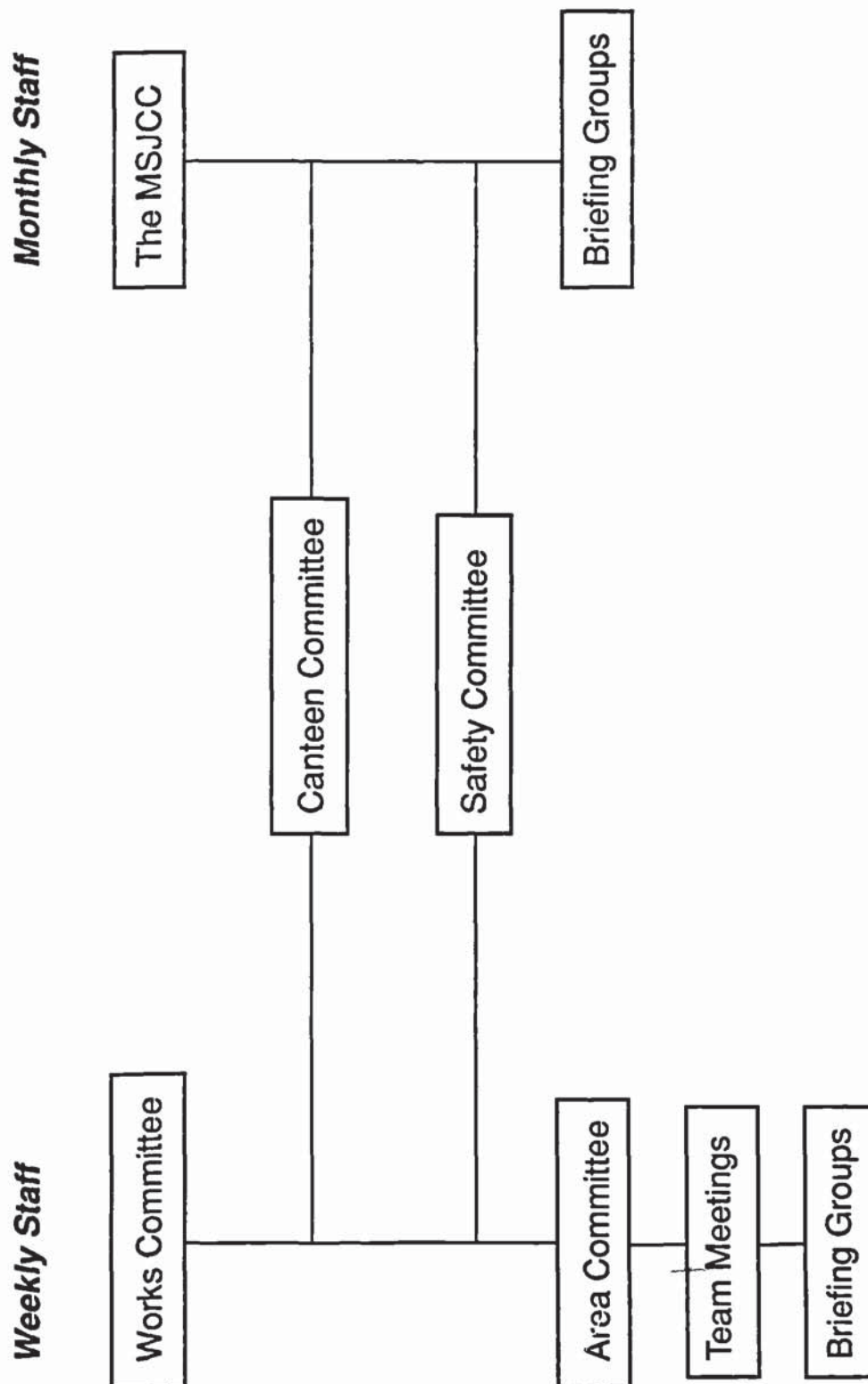
The senior convenors did not consider the unionisation of the consultation structure as the result of a conscious attempt but the logical outcome of a natural evolution. But it will be shown that the management acceptance of complete unionisation was a temporary and tactical time-specific concession to the unions. The unions, in return, accepted the management right to communicate directly with the employees. This agreement, interestingly, did not demarcate between items for negotiation and matters of consultation nor did it explicitly forbid the former being discussed in consultative bodies. Rather, it left the parties to choose a particular option as they felt appropriate. But a senior manager remarked that the consultative bodies have been carefully protected from developing into negotiating bodies (i.e. when the management does not want it to).

The participation structure in ICI is so very complicated that no single manager by himself could give a complete and accurate picture of it. During this data collection, ICI was seriously considering restructuring participation in the company and no one was sure of the shape of things to come. So the structures discussed below, are, as they stood in September 1991 (since then there has been only one change to it in November 1992). The factory, division and the company level participation structures have been depicted in Figures 4, 5 and 6 respectively.

7.2.2. THE PARTICIPATION SYSTEM AT GLOUCESTER

The works level consultative forums are vertically linked to the divisional level structures within ICI. The participation structure at Gloucester- like the rest of ICI- is divided along the lines of Weekly and Monthly staff- the former consisting of all the

Figure 4
Participation Structure at the Gloucester Factory



production and maintenance workers and the latter comprising of all supervisory and clerical staff. The weekly staff consultative body at Gloucester is the Works Committee and its monthly staff equivalent is the MSJCC (Monthly Staff Joint Consultative Committee). The convenors of all the three unions along with some other stewards are the members of the Works Committee and the monthly staff elect their nominees to the MSJCC. The Works Committee has a lot of supplementing bodies like the Canteen committee, the Safety Committee, and the Suggestions Committee, all reporting to the Works Committee. There are no separate supplementary bodies to the MSJCC, but this nominates some of its representatives to the Canteen Committee.

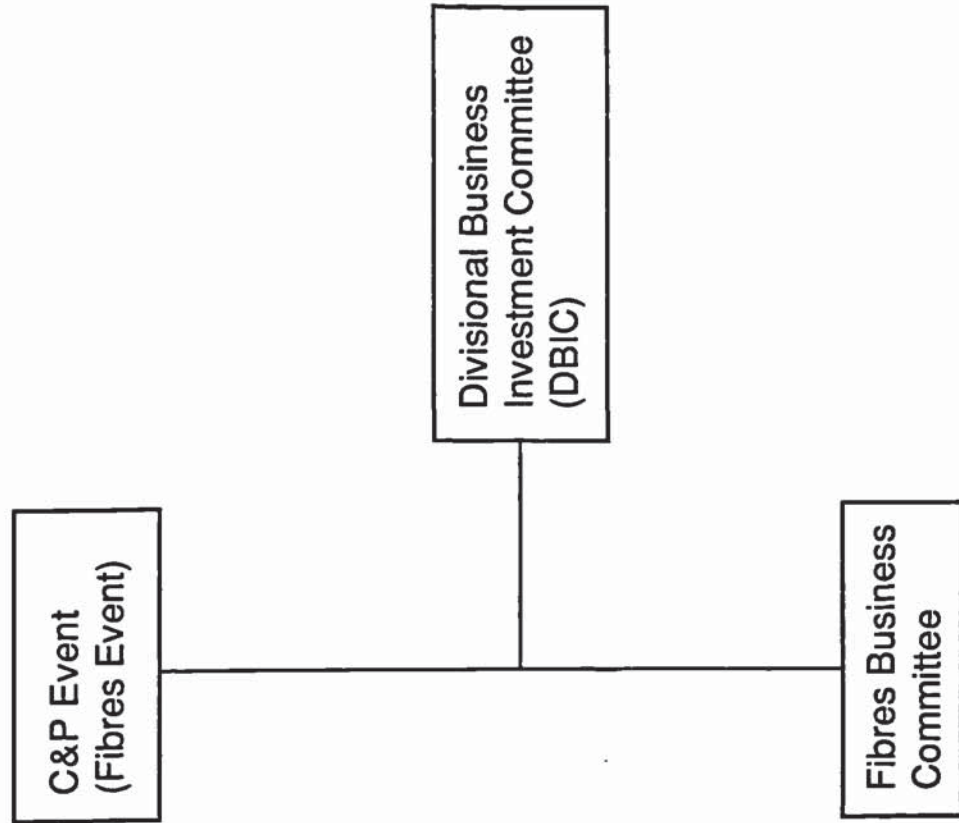
Within the Gloucester factory, there are monthly team meetings between supervisors and their operatives and also monthly sectional meetings (Area Committees) between an area manager, the stewards and the lay representatives. These structures at local level have been supplemented recently by Briefing Groups.

7.2.3. THE DIVISIONAL LEVEL PARTICIPATION STRUCTURES

For the purpose of this research, the "division" refers to the Fibres Division of ICI. The divisional participation structures are linked to the company structures. The Fibres Business Committee at the divisional level co-ordinates and is supposed to resolve contentious issues unsolved at more local level and discusses matters of business interest to Fibres Division. This committee meets quarterly and comprises of management and union representatives from works committees of different sites. The members of the divisional board attend this forum.

The highest consultative structure at the division level is the Fibres Event (Currently known as C&P Event). It would be appropriate

Figure 5
Participation Structure at Division (Fibres) Level



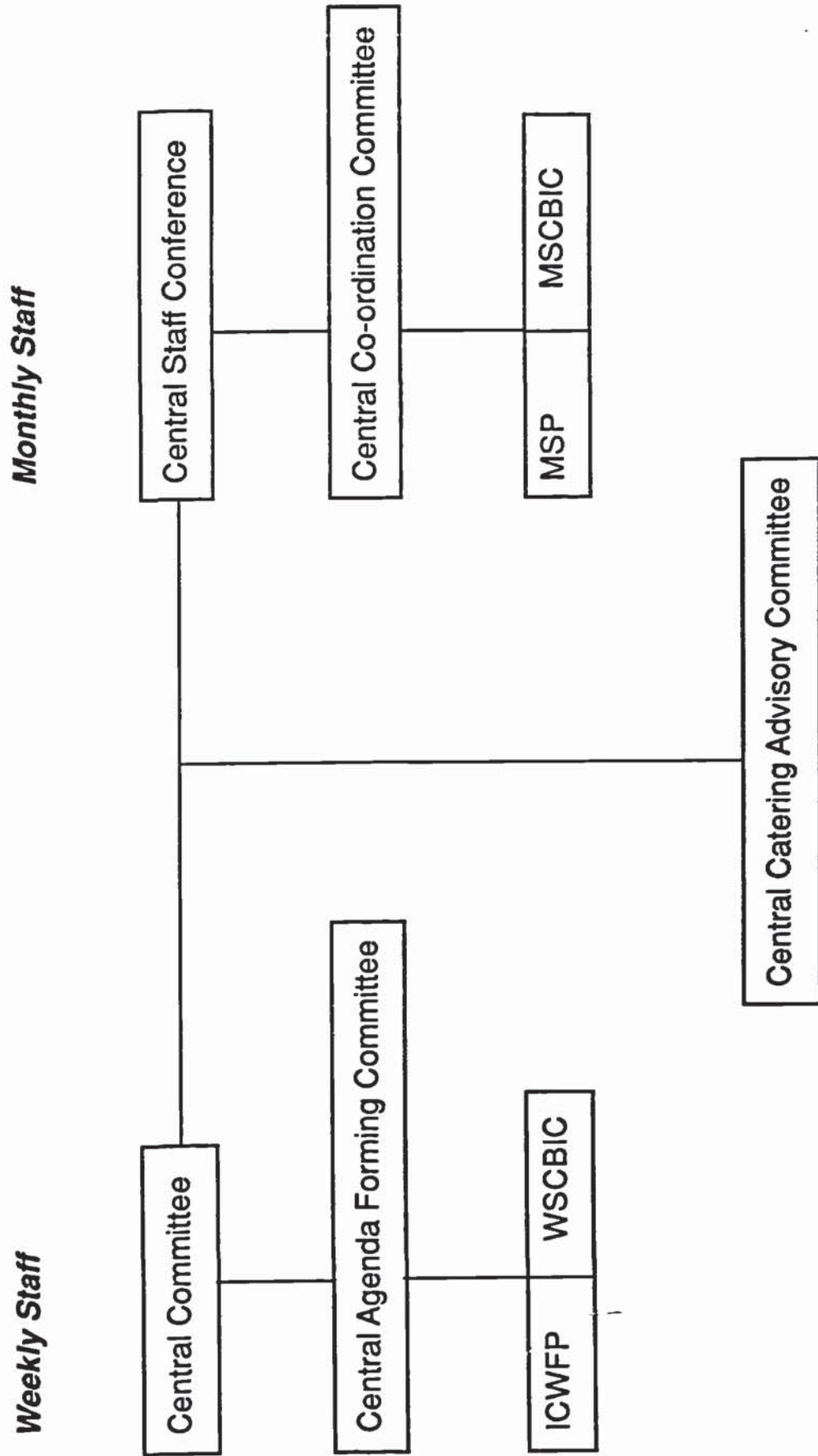
to consider this as a social occasion, since it is too large for any meaningful discussion. Rather, it provides an opportunity to the local management and union representatives to meet senior functionaries of the Fibres Division. However, as a convenor reported, the management dissuades employee representatives from raising specific site issues in these divisional forums.

An off-shoot of the Fibres Event is the DBIC (Divisional Business Investment Committee) which can be an effective forum for participation given adequate and timely information. This forum is meant to discuss various investment proposals and other related issues within the Fibres Division. The union representatives on all these bodies act as representatives of all the employees on their site rather than their respective constituents. This forces the unions to act together on many issues and helps the management to deal with a single force at higher levels than competing forces. One could notice that the monthly and weekly staff distinction which exists at the company level and factory level forums is somewhat blurred at the divisional level.

7.2.4. THE COMPANY LEVEL PARTICIPATION STRUCTURES

The company level consultative structures within ICI are the most complicated of all. These structures bring all businesses of the company together and bring the weekly and monthly staff together in some respects. There are many specialised bodies at the company level to deal with specific matters. The deliberations at the company level structures are fed into the divisional structures for further discussion and action which enables co-ordination of the corporate policies and plans at divisional and local level through the consultative structure. However, the process is not completely top-down, it is a two-way flow where the former has stronger currents.

Figure 6
Participation Structure at the Company Level



The apex body for weekly staff here is the Central Committee which has members of the main Board and selected union representatives from various businesses. One important wing of the Central Committee is the WSCBIC (Weekly Staff Central Business Investment Committee). A convenor described its work: "In the CBIC, we are given an overview of the results of the last quarter and the prospects of the next quarter or six months. The information is so designed that you have to read between the lines and glean some information". Two other important agencies of the Central Committee are the CAFC (Central Agenda Forming Committee) and the ICWFP (Imperial Chemical Workers' Pension Fund Committee). The former acts as a standing body of the Central Committee and forms its agenda and plans action. The latter, basically addresses the pension matters.

The monthly staff consultative forums equivalent to the above mentioned bodies at the company level are the Central Staff Conference (CSF), the MSCBIC (Monthly Staff Central Business Investment Committee), the CCC (Central Coordination Committee) and the MSP (Monthly Staff Pension Fund Committee), respectively. In addition, there are a host of separate and combined working parties.

The position of employee representatives is rather strange in these bodies as they are supposed to represent both the employees and the businesses they come from which amounts to part incorporation. In certain discussions, they may have to support the Fibres management at the company level forums since the employee representatives are part of the fibres business as well! At the company level, the competing interests are the various divisions themselves, to which the interests of groups of employees are directly connected. Thus, "divisive incorporation" can be said to be the end result of this spiralling consultative structure within the Company.

Thus, on the face of it, the participation structure in ICI appears

impressive but closer examination reveals that some of it is illusory. The Central Catering Advisory Committee is a glaring case in point (it was on the verge of abolition in November, 1992). Its apparent role is to decide matters of policy about catering and to resolve catering issues not settled at the works committee level. In one case at Gloucester, the stewards challenged a local management decision to switch from freshly cooked breakfasts to having it dispensed from vending machines. This was taken to the CCAC which said that every business has to decide what is good for itself and changes could be made as long as standards are not compromised. Such a situation inclines one to agree with Ramsay's (1985:68) observation about ICI in another context ,

"They (ICI) revamped their consultation system, inaugurated briefing groups and in the mid-1970s re-jigged the profit sharing scheme. It seems to make sense once more to see the management concern with job enrichment not as an isolated feature, but as an integral part of a considered strategy of presenting the company as participative". (Emphasis added).

How far participation is real can be further analysed from the various purposes for which the structures are actually used by managers.

CONCLUSIONS

The analysis in the previous section suggests the following conclusions. ICI has a history of paternalistic labour relations policies aimed at incorporation of workers to ensure industrial peace. Unitarism has provided the ideological gloss to this strategy. Participation has been a strategy for conflict containment since ICI's early years. Centralised control of labour relations policies is a historical continuity in the company experienced even today. The management's ability to sense and adapt to changes in the environment at appropriate times has ensured relatively calm industrial relations both company-wide and in the Gloucester factory. ICI currently has an elaborate participation structure integrated from the shopfloor to the company level. The mode of

employee representation on higher forums helps their indirect incorporation and creates divisions in their ranks.

7.3. PURPOSES OF PARTICIPATION: ORGANISATIONAL AND INDIVIDUAL

This section looks at managerial aims in the participation arena from both the individual and organisational perspective. Ramsay (1990) has emphasised the need to consider the purposes of participation in a case study. To further strengthen this understanding, this section also examines the managerial criteria used in ICI to evaluate the success and failure of participation and how it is used under differing circumstances.

The bewildering variety of participative forums in ICI pose an immensely complex challenge to anyone attempting to study managerial purposes. This task is further complicated by the fact that the managers in ICI ascribe their individual association with these forums to different reasons. For some, it is a part of managerial function or because of organisational directive. Others see it as a need for their expertise or the responsibility of their particular position. Unlike Cadbury U.K., the managers in ICI did not read any moral implications into the participation process.

7.3.1. ORGANISATIONAL INTENT

Managerial understanding of the origins of participation and its intent can be a determining influence on their action within the participation arena. This understanding in ICI, as obtained from managers through interviews at the Gloucester factory, is discussed below.

One strand of understanding of participation's origin in ICI is mythical historical where it is seen as part of an indeterminate

"tradition". Thus, although the motivations and objective circumstances of the formation of works councils in 1929 (see Reader, 1975) were not the same as the joint consultation agreement of 1971, the two are seen as parts of the same historical continuum. As a senior manager said,

"A formal forum for JC has always been there both with British Nylon Spinners and later in ICI. These had different titles over the years. But there has always been opportunity for employees to meet supervisor and then move up in formal forums".

Company literature reinforces such a view. However, moralistic renditions of this tradition in ICI are much less intense in the company literature compared to Cadbury U.K. Nonetheless, periodic references to the tradition of participation in ICI, can be interpreted as a defensive managerial response to accusations of insincerity and high instrumental orientation. A typical scepticism voiced by a supervisor was,

"Much of the talk about participation here is for show. No major decision really involves people. It is meant for the outside world of shareholders, public and competitors, to say, 'look we are a caring company, we have got JC'".

The General Manager of South West Works said, "ICI has a belief. It is a phenomenon of ICI history. The corporate philosophy wanted it. It has utilities and in any case, the unions would have pressurised for it". Even though the researcher found no specific mission statement about participation from ICI's top management (as found in Cadbury U.K.), managers frequently explained participation in terms of the corporate policy of ICI. References to policy provide the cover for pursuance of more practical ends without making participation process a power struggle.

Participation, as the interviewed managers in ICI see it, has several purposes. Some of these are very general such as "registering employee views on decisions, promoting two-way communication". The more pragmatic and concrete ones include "to facilitate and promote change, to bring about agreement to changes

without animosity or difficulty and getting input for managerial decisions". Participation in ICI has preventive objectives like stopping misinformation and misunderstanding and more unitary purposes such as promoting understanding and acceptance of company objectives.

In the early days of ICI, participation was used as a means of keeping unions at bay. Even today, despite the 1971 agreement, there is resistance to the union in the consultation processes. A senior manager and a member of the Works committee remarked,

"Joint consultation, by definition, at Gloucester means the union and that is not good. The union tends to be aggressive and attacking rather than talking things that people care about. When I used to sit on Drawtwist section consultative meeting, it used to be all bitching about silly things that could have been resolved by going to the supervisor. But they used to collect things for the monthly meetings to have a go at. They used to discuss what I call as chicken shit issues like why are toilets dirty and you tell them you make it dirty. The real issues would be the business matters, need for changes, ways of working, ways of making their lot better, more stimulation- things that are important for ICI".

Here again one finds expressions of unitarism where a superordinate "ICI interest" is considered transcendent over all sectional interests. Extreme pluralism can be dangerous for the management and it knows that complete identity of interest (i.e. unitarism) is a utopia. Thus, the participation structure in ICI is an accommodation of pluralism at the local level (e.g. all unions represented on the works committees) and unitarism at more higher levels (e.g. managers and convenors jointly representing sites on DBIC or CBIC). The latter becomes an automatic restraint on pluralistic conflicts at more local levels and so, indirectly protects managerial freedom of action. The intricate network of participative forums, their unionisation through the consultative agreement and the idea of union leaders representing sites, all facilitate tactical moves of management between pluralism and unitarism. The repeated problems shaking fibres business in last 10-12 years, have only helped to strengthen the legitimacy of an ideal of common interest.

7.3.2. INDIVIDUAL USE OF PARTICIPATION

The consequences of a policy or a tradition are actually manifested at the individual level. The absence of an explicit corporate policy gives the managers the freedom to use participation to meet more local needs without the possibility of clashing with the corporate policy.

The pressures of business, however, restrict this freedom as managers are increasingly forced to co-ordinate the activities within participative forums towards the achievement of business goals and strategies. The pressures on fibres business can be understood from the fact that ICI's profits in the first quarter of 1991 were down by £216 millions compared to the same quarter, the previous year. In the same quarter, the ICI's fibres business worldwide made a loss of £1 million. It was comforting that ICI's European competitors in fibres like Snia and Rhone Poulenc were also making losses. The situation was symptomatic of the pressures on the entire industry. ICI has embarked on a crisis containment-cum-long-term business plan called the BIP (Business Improvement Plan). As a senior manager put it,

"I use the Works Committee to promote understanding of the BIP. Because of the business situation, we need to increase productivity and reduce manning. When people understand this, even if there are problems, it is easier to deal with those".

That managerial action in the participation arena is shaped by business objectives is evidenced from the introduction of Team Briefing to coincide with the Business Improvement Plan.

Two distinct uses of participation forums emerge from the discussion with managers within ICI- first, the reactive use where attempts are made to solve problems of production and people and second, the proactive i.e. to soften up and prevent potential resistance and problems by sharing information about the state of business. The communication that takes place in the participative forums are

mostly from managerial perspectives. As a Personnel Manager said, "I try for effective communication. I see to it that all policies of the company are understood, accepted and agreed to. The communication is clear, concise and the workers get the message they are expected to understand". In a more unitarist vein, his boss added,

"If you want to get commitment to the business, to the profit ethic, workers need to understand about business. So the purpose is to inform, educate and influence. It is not a "them and us", it is our business. That environment can be created by these forums and that message is conveyed".

The management has successfully used the poor business situation as a rationale for gaining the employee acceptance for a number of measures. Overtime payment has been frozen and DPWR (Development of People through Work and Reward)- a performance based pay system for the monthly staff has been instituted. Similarly, the LWA (Local Working Arrangements), whereby management can enter into temporary local work arrangements even though these go against national agreements, has been introduced. Many managers see a distinct possibility of the combined effects of Team Briefing, LWA and DPWR gradually making the normal forums of participation unnecessary. The continued managerial resentment about unions' role and presence has given a filip to the creation of more local, individualised and small group arrangements mentioned above.

The managers showed awareness of the timing and the nature of response they can expect to different uses of participation forums. It was reported that at times of business downturn when job losses are likely, the representatives and employees, in general, are more receptive to managerial plans than at other times- something that Cressey et al. (1985) described as "life boat democracy". But the receptivity is often issue-specific e.g. lower for reorganisation proposals. However, the frequent use of business situation as a rationale for change affects its efficacy, as one manager pointed

out,

"When we did badly, in every forum we said how badly we were doing and this and that cut was needed. The message gradually became worthless for people sat back and said 'we have heard this before'. Frankly, people get fed up of too many communication of same kind and come to believe they are being brain-washed. They say, 'here we go again. Do we believe this'?"

Since the business situation is amenable to factual explanations and is most likely to play on the fears of workers, managers find it easier to use in ensuring co-operation for any change.

However, the unions' intrusion in part of the consultative machinery at the local level (where pluralistic conflict can be manifest and fierce), is rather limited. The MSJCC, in particular, is a very weak body compared to the Works Committee, meeting only once a quarter, rather than monthly like the latter. Supervisors mostly use it to gather information which they would otherwise find difficult to obtain. A supervisory representative on the MSJCC observed,

"Under the BIP, there will be less jobs, so there will be less supervisors. Our members want to know how many they will need, when and where. If you can influence it, well and good. But the need to know is desperate".

Another member of the MSJCC narrated an example,

"Sometimes it is frustrating when company's objectives are different from those of your members which very often it is. For instance, under the DPWR proposals, some of the pay structures are being done away with. We used to get an automatic performance bonus called a "Good Boy Bonus" which is about 2% of your annual salary. We don't want that to go away. In the new system, we can get more than 2% a year, but wholly at the discretion of the manager".

7.3.3. CRITERIA FOR EVALUATING THE SUCCESS OF PARTICIPATION

Any managerial evaluation of participation has to have references to its purposes and will have implications for subsequent managerial action. Therefore, studying managerial criteria for evaluating participation forums in ICI can be revealing. There has been no such formal overall evaluation by the management. However, at the instance of ICI management, Cotgrove et. al. (1971) studied the

effects of productivity bargaining. In the past, the company commissioned two consultants, on different occasions, to study people's information needs within the organisation and how far those were being met by the joint consultative structures. These reports were not available to the researcher but the manager who coordinated the exercises remarked,

"Its results have been good and we tried to introduce changes. But it was all done under the broad title of 'communication'. In those surveys, JC did not come out as a very valuable means of communication since, in JC, we talk to a very selective few - a minority".

For the managers in Gloucester, the foremost indicator of participation failure was industrial action. The Works Manager said, "If the forms and structures are not there or are inadequate and inappropriate, there would be these boil overs coming frequently and unexpectedly". The relative industrial peace at the Gloucester site over last thirty years, enables the managers to attribute this to participation, though there is nothing concrete to suggest it to be an accurate and valid claim. Rather, some managers reported occasional sectional work stoppages, despite the elaborate consultation structures. The historical circumstances of this factory's life (e.g. change of ownership, business boom, recession) can be said to have been the basis of this calm at different points in time.

The changes in ICI, in general, and through the Business Improvement Plan in particular, were widely recounted as the success of the participation process. A senior manager said, "We are going through a major change and when you go through a major change, much of which is painful, then JC and communication cannot be bad". It is a fact that ICI has been restructured and reorganised many more times compared to any other organisation with a similar life span (see Pettigrew, 1985; Ramsay, 1985). However, employee acquiescence to these managerial changes has not been the consequence of active

consultation with the employees or opportunity to influence these in any meaningful way. But such acceptance has come because of managerial promises of potential prosperity or fear of financial failure. Similarly, Ramsay (1985:68) notes,

"In 1980, a cut of 4000 jobs through rationalisation at the Fibres division was announced, followed in 1981, by a merger of plastics and petrochemicals divisions, also expensive in job losses. In neither case was the much vaunted consultation machinery used to signal changes".

Complete achievement of managerial ends, with speed and least resistance, is considered as a success of participation in ICI. The staff reduction and the changes in work practices designed to be achieved over 2 years under the BIP, were achieved within first 12 months at Gloucester site. The closure of Harrogate and massive job losses elsewhere along with low profitability, have taken away the will to fight from the workers who are grateful if their jobs are untouched. Even if these issues are discussed in the participative forums, the workers are singularly unable to influence these decisions in any way. This was reflected in what the Works Manager said, "I would indeed like overhauling some more work practices which have been always resisted by a particular union. I would be happier with bit more excitement on this front. Things are too quiet for my liking". The Personnel Manager recounted,

"The redundancies under the BIP should have been on the basis of Last In First Out. But I came out with a formula that took into account people's age, service with us and ability to do the job. If we had bulldozed and not consulted, the unions would have insisted on juniority and cross-transfers and this place would have been in chaos. But with consultation now, we get same output despite job losses".

In fact, the same decision could have been implemented without discussing the matter in the consultative forum, but its legitimisation in the forums passed part of the responsibility for convincing the shopfloor to the unions and their leadership. This increased the total amount of control over the situation for the management.

One predominantly unitary criterion of evaluation at ICI has been whether the workers share the company goals and objectives like the managers. An Area Engineering Manager said, "Participation must help to gain an understanding at all levels of the mission of business...Once that is clearly understood, many details follow. People start to understand the need for change and become more tolerant to change". Most managers interviewed expressed their frustration at the failure of the steward-centered formal consultative process to create such a shared perception. As a junior manager observed,

"You talk to the stewards and the guy makes of it something in his mind and then puts it forward to the shopfloor- if he puts it forward- coloured by his party line. Some stewards do not put it forward or put it very sketchily. So, what the guy on the shopfloor gets is abridged, opinionated, coloured and incomplete. So, this is not a reliable form of communication".

Another manager recounted an experience where the workers were prevented from dealing directly with the manager by the stewards.

The messages about bad business situation do sink in but not as quickly and as accurately as the management would like. Often messages about managerial expectations from the workforce get lost in the communication loops. This is probably what Team briefing is trying to rectify by opening an alternative channel of communication. Team briefing is also reducing the sole reliance of workers on unions for information, thereby, reducing to some extent, the union influence. The other successes of participation in ICI have been said to be the adoption of the Smoking Policy, Alcohol Policy and the phenomenon of Working Parties. Thus, success and failure are purely judged in terms of achievement of managerial ends and not by the nature and extent of workers input into organisational processes. Acquiescence is often the only input of workers into decisions.

7.3.4. TIME ORIENTATION OF PARTICIPATION

Ramsay considers his cycles approach (1977) as a macro analytical tool and sees a limited role for it in micro analysis (Ramsay 1990). Nevertheless, the use of participation by the management at specific times can prove insightful in understanding managerial action.

Managers at the Gloucester factory identified that the extent of consultation, discussion, joint working and communication is related to the extent of need for internal changes and times of business pressures or threats. The times of pressure and times of change could and, indeed, do often overlap, but some plans for change could be based on some kind of a long-range perspective in pursuance of specific objectives. The BIP in ICI, is a response strategy to meet external business pressures. Changes under the BIP need ideas, speedy execution and absolute worker cooperation to limit cost escalations in technological changes. This is where increased discussion and information sharing helps the management of ICI. Some managers positively felt that decisions to consult about a change depends on the anticipated resistance to the change. If there is no likelihood of resistance, there may be no consultation.

It was universally accepted by managers that the extent of communication and discussion had increased since the downturn in business though the ability of workers to influence decisions had not changed. The Chairman of the Works Committee said,

"Some years ago we used to consult the shopfloor only when in trouble. Now day-to-day consultation has increased in minor ways and there is certainly more communication.... With the present business situation, management has learnt that you cannot survive with co-operation of a handful of senior managers only".

One major structural response of ICI during difficulties has been the formation of Joint Working Parties of managers and workers outside the normal consultative machinery. A senior manager explained,

"When we have an external push on quality or efficiency issues, multi-disciplinary working parties have been the answer ever since the company decided to tap resources from the shopfloor. Mostly these teams are triggered by an external requirement that we need to move faster than we are going now....These extraordinary situations can be recession, fall in business or need for continuous improvement to beat competition".

These working parties are based on a unitarist convergence of interest with low potential for conflict. As a junior manager explained, "In reducing manpower, they get the employee spokesmen in the working party to come up with ideas to cut manpower and make them sell the idea to the shopfloor. So the shift spokesman is doing the management job". The working parties, thus, help to increase control over shopfloor through use of shopfloor resources.

Although team briefing has existed in some factories of ICI for several years, its introduction was rejected by shop stewards in Pontypool and met resistance at Gloucester. The management had been keen to open an alternative channel of communication to workers at Gloucester for some time and its urgency increased with the introduction of BIP. The threat of Hanson takeover of ICI (1990-91) provided the right opportunity to restart initiatives for Team Briefing. The Hanson bid generated lots of rumours and anxiety amongst the workforce and the need for regular communication was acutely felt by both the sides. The management wanted to advise the workforce about share handling and the workforce wanted protection over pensions and jobs. Thus, the union and workforce were persuaded to accept team briefing as the right answer to these needs. Its introduction was also aided by the keen interest and belief of two senior managers at Gloucester in team briefing.

The increase in the legitimising role of consultative bodies during periods of crisis has been largely neglected in the literature on participation. This legitimation is eased by the fact that the perceived identity of interests at such times is more than at normal periods. The managers in ICI argued that commonality of interest

during crises leads to consultation more about implementing decisions than decisions themselves. Despite all propagation of unitary interest, most managers in ICI acknowledged that usually the two parties try to achieve different things through participation. Recollecting the Weekly Staff Agreement (WSA), a senior manager said,

"The process within the WSA was heavily participative. But the goal of the management and the representatives in many teams was absolutely different and in that sense, it was flawed. It created jobs that had strong boundary around them and job protection was created".

Another manager commented on the contingent nature of relationship in participation forums,

"It depends on issues and what has gone on before. Unions are there for protecting jobs, securing best conditions and promoting safety. Management does not have to endanger safety or conditions, but we have to look at different practices to keep the company profitable so that livelihood can be protected. That is not always understood. In that sense both parties come from different angles".

However, an adverse economic situation has other impact on participation as well. The costs involved in running a large network of participation forums has compelled the management of ICI to seek economies in the system by making the structure slimmer and flatter. Fewer meetings during working hours and less frequent meetings of certain large bodies have been the result.

CONCLUSIONS

The following conclusions are derived from the preceding discussion. References to an indeterminate tradition and an unspecified corporate policy provide the ideological cover for the instrumental nature of participation in ICI. The overall unitary orientation of the management is legitimised by the frequent pressures on fibres business which makes the workers more receptive to it. The structure of participation forums accommodates both unitary and pluralistic perspectives. However, the attempt has been to confine the latter to

the lower levels of the organisation within a broader unitary framework. This makes any intensely manifest conflict a rare phenomenon in ICI and protects managerial freedom of action.

An elaborate consultation structure in ICI has not meant more or better control over decision-making process. On the contrary, it enables the management to pass on certain unpleasant aspects of decision implementation to the unions and the representatives. Business pressures have aided the management in successfully carrying out programmes like the BIP, DPWR and LWA. These successes notwithstanding, managerial hostility to unions and the perceived constraints on managerial freedom from them continues unabated. This has prompted initiatives like Team Briefing as alternative channel of access to the workers. But new initiatives like Team Briefing or Joint Working Parties have often coincided with adverse business situations, external threats or specific business strategies like the BIP.

7.4. LEVELS AND ISSUES OF PARTICIPATION

This section analyses the issues open for participation in ICI in relation to the levels at which participation takes place. In that context, it looks at the nature of decisions within exclusive management preserve, the nature of prior consultation in ICI and how non-consultation is justified by the management. This section also considers the managerial willingness and resistance to workers' participation and how management in ICI has responded to demands for more participation.

The substance of employee participation depends on the levels and the issues open for exercise of influence. The levels of participation in ICI, as noted in 7.2., have been largely determined by the consultation agreement of 1971. The participation structure

in ICI runs parallel to the organisational structure i.e. at the works, division and corporate level. However, having a parallel structure does not mean that all matters for executive decision-making at each level, are *suo motto* open for employee participation. The extent of participation in various issues too can be different.

7.4.1. EXCLUSIVE MANAGEMENT DOMAIN

The managers at Gloucester listed a number of items of direct and indirect interest to workers as matters for unilateral managerial decision-making. These include strategic business decisions like investment (buying new spinning machines), divestment, merger (recently demerger), business policies, closure of sites (e.g. Harrogate); product related decisions like customers, product prices, product quality; personnel issues like staffing, management appointments, management movements; issues of working condition like SHE (Safety, Health And Environment) activities, closure of night shift canteen, maintenance shutdown over Christmas, overtime working and factory level issues like maintenance strategy, in-house contracts, expenditure on welfare and preventive maintenance.

The retention of large numbers of matters for exclusive decision-making by the management is encouraged by the centralisation of business strategies in ICI. A manager said,

"Working for ICI, we get a lot of guidance like manuals, circulars, standards for everything like safety, environment, drainage, pressure systems and fork-lift trucks that we have to adhere to. There is actually not much freedom".

This centralisation affects the managerial attitude to participation. One manager said, "I am not consulted about closure or acquisition. Why should the worker or the union be consulted for how could they give better inputs?". A convener also remarked that the site management did not and could not consult the unions on matters where the instructions come from Millbank (Headquarters of ICI) which is usually the source of most decisions.

The existence of consultative bodies like the CBIC or the DBIC and the idea of investment/divestment being subjects of unilateral decision pose a dilemma in ICI. Consultation in these committees is not about where to go but how to get there. As a manager observed,

"In the BIP, where we decided to have 20% more productivity from the labour force. There was no consultation about the decision. The consultation came when it was to be implemented".

Consultation before implementation is often aimed at communicating acceptable justifications for decisions like productivity targets (e.g. "we are not going to have forced redundancies, so why are you bothered about the decision?"). Similarly, the closure of the night-shift canteen was decided on cost grounds, despite opposition from workers. There was, however, consultation about the alternative arrangements since its implementation required the co-operation of the workers.

Discussing matters like the closure of Harrogate at the corporate level rather than in Harrogate factory has many benefits for the management. It diffuses the problem taking it away from the site and dilutes the issue with involvement of representatives from other sites who may be amenable to the proposal as a way of protecting their own site. Moreover, the higher level forums involve more persuasion, rationalisation and appeal to wider interest of the organisation. The pluralistic environment of factory and the every day tussle of unions with local management are likely to affect the legitimacy of such significant decisions if those are channeled through the site management. Thus, the perceived legitimacy of such decisions are enhanced when these come from the top management through the steward-channel to the grass-roots.

7.4.2. MATTERS OF PRIOR CONSULTATION

Prior consultation in ICI basically means consultation prior to implementation and not about the decision itself. Such prior consultation aims at communication of the decision and its legitimation, generation of ideas about the quickest way to implement it and making the workers feel as if they have had a say in the matter. As a senior manager put it,

"Prior consultation is about the work i.e. the way a team is set up, the way work is organised. The manager would have a view on the subject but the clever bit is to make everybody feel that a more efficient and appropriate system of work has been put in place".

However a convenor said, "Prior consultation with workers in ICI means, a manager standing among his workers making a statement and then asking, Are there any question- a five second pause and then saying, Off you go!".

Matters listed as areas where prior consultation is held included redeployment, training, donations to charities, voluntary retirement schemes, load on machines, part of BIP like new equipment, "No smoking policy", changes in work practices and the like. Sometimes, prior consultation is used as a device to compare various options and to identify the one most likely to achieve managerial ends with least resistance and maximum speed. Such has been its use in matters of subcontracting. One manager gave the example, "We wanted to contract out screw fastening and we talked to them about it. Workers came back and told us that they could do it cheaper in-house and we stopped contracting out. The objective was achieved". Another manager too reported a similar successful strategy where the workers offered cost savings in the maintenance of fork-lift trucks to prevent the job being contracted out. A further example was the consultation in implementing changes in the shift pattern to complement a unilateral management decision to stop overtime as a measure for achieving BIP targets.

The fear of unilateral management imposition compels workers voluntarily to co-operate. The workers prefer to accommodate managerial objectives through mutual agreement among themselves rather than do it the management way. Such cases are also projected by the management as the end-result of consultation. Sometimes such situations create a division between workers who want to accommodate, but in their own way, and those who altogether reject management moves. In either case, it increases overall managerial control as it expedites implementation of decision with employee support. The voluntary day-shift relief cover by day-shift employees in the Electrical Group, without overtime, is a clear example on the point. Managerial signals of inevitability of certain changes, stimulates such voluntarism.

Prior consultation over matters like reduction in staffing within BIP is always accompanied by incentives like the promise of "no forced redundancy" (a paternalistic concession) but with threats of evoking "managerial right to manage" (as the protector of organisation's interest) if there are no volunteers. A careful mix of both was reported by many managers whose efficacy is proved by the fact that the unions help the management to find volunteers.

Most prior consultation takes place only at the factory level forums which are usually very conflict prone and tend to get reduced to negotiation. The Works Manager commented, "At the Plant Committee level, there is certainly negotiation about things like staffing. At higher levels, there is less negotiation". This is an example of what Ramsay (1977) calls the change of committee status- a shift from consultation to negotiation. The management has also noted the advantages of negotiation in local consultation forums and has been pushing for LWA (Local Working Arrangements) for last five years. This has now become more important in view of the BIP.

Expediency has shaped the management attitude to separation of consultation and negotiation in ICI. There have been cases where data given to workers in what the management calls "consultation mode", has been used by the former in subsequent negotiation with the management. The management strongly objects to it. Managers, in Gloucester, referred to the "unpredictability and irresponsibility" of unions and employees as the prime obstacles to prior consultation. The Operations Support Manager recounted,

"In making out the BIP, I talked to the boys a lot before planning. But when I went back with details, they came out with lot of meaningless objections because they did not want to go with what I was doing. I ultimately had my way but I had to battle through. It would have been lot easier had I not talked to them in the first place".

Wherever management does not want to negotiate or consult on a matter raised by the employees (e.g. security in the car park), the management simply refuses to acknowledge the subject as anything to do with the company. But where subjects raised by the employees are also of interest to management (e.g. two shift working in the Spinning Department), the blurring of the distinction between negotiation and consultation proves acceptable.

7.4.3. WILLINGNESS AND RESISTANCE TO PARTICIPATION

The centralisation of business decisions as a factor affecting managerial attitude to participation has been referred to earlier. Thus, managerial action in the participation arena can be understood with reference to whether they are willing to let workers participate and in what areas.

Most managers interviewed indicated their willingness to have workers participate in what they called as "matters affecting the workers". But the matters they enumerated mostly affected the achievement of management objectives rather than the workers' aims and the participation they referred to mostly meant idea generation

or problem-solving. These subjects included running of canteen, control of absenteeism, quality of job and product, loading and maintenance of machines, housekeeping , safety and productive changes in work practices. Most of the above, are areas of managerial responsibility where the targets are centrally set. Participation in that context meant cooperating with the managers to achieve those. Flexibility of worker attitude in meeting managerial demands is equated with participation. A very senior manager said,

"We have now got high speed machines where each operative has got some specific responsibility over and above his job. We are moving in that direction now as we got small teams on these high speed machines. They should together solve problems of machines and quality. Under the new system they will be involved in total quality management".

Another manager remarked,

"I would want them to participate in all that affects and relates to them but certainly not in business decisions. I cannot imagine my warehouse people deciding about what to produce next week, whether to increase or decrease production. They can discuss about the way they work".

What actually "affects and relates" to workers, is decided by the management. The denial of participation in some areas is based on "managerial right to manage" arising out of superior managerial expertise derived through specialised training and availability of information. Reluctance of unions and employees to participate in exclusively management selected subjects is interpreted as "union mentality" and avoidance of responsibility.

Staffing, work study, organisation design and promotions to management cadre have clear support of managers as no-participation areas. Staffing reduction being a key strategy of BIP, managers were distinctly against any participation in that area. Managers who have come up from the ranks, did not want participation in production or maintenance plans because the workers lack the expertise. Centralised targets like conversion efficiency put strong pressures on managers to push through their decisions without consultation. One supervisor said, "I have to take few decisions to achieve my targets like the overtime reduction. Whether others like it or not,

I have to force decisions if I am to survive".

7.4.4. JUSTIFICATIONS OF NON-CONSULTATION

The large domain of exclusive management decision-making, and the reservations of individual managers about workers' participation in a great many other areas, point to a high level of non-consultation in ICI. However, various justificatory principles are used by managers to support such non-consultation.

One strand of such justification relates to the compulsions of business where union participation in certain decisions can be a contradiction of their role. A very senior manager related,

"When BIP came in, I explained to all sections of workers the need for restructuring. It was more of telling them than consulting them. But at the end of the day, these decisions had to be taken. For unions, protection of jobs is important. There is no point in involving union with a plan that is going to reduce staff. It will put senior stewards in a precarious condition".

The business downturn has led to a reassertion of management right to manage (in the interest of the business) in ICI and has led to the emphasis on the obligations of workers under their Contract of Employment. This change in emphasis has facilitated the revision of ICI's Absence Policy and the workers were only told that the business needs compelled it. As an Engineering Manager said, "I don't ask them when I decide to move a guy permanently or temporarily to another place. I don't justify it. It is a condition of their employment that we can move them". The business situation is also used to remind workers about their responsibilities. A manager said,

"The investment/divestment decision is, in reality, significantly determined by the shopfloor. It's their action which decides whether a unit is unprofitable enough to be sold or is making enough profit to buy another".

Managerial expertise and access to information has been the other strand of justification of non-consultation. A manager who could not

imagine the shopfloor having say on production decisions remarked, "We are always under the pressure for time and we don't have time to consult. If you are running a plant, your first priority is production". A Supervisor commented, "If you get too involved in consultation, likes and dislikes, you may land up doing nothing". It was accepted by managers, that despite their expertise, decisions could backfire but that according to them, did not mean that they must stop deciding and start consulting about everything. A convenor recounted how a manager introduced work study figures on the shopfloor without any intimation to the union and when that led to worker hostility, the management came to the union to seek help. Many such examples were related by the union representatives.

Explaining the supremacy of business needs over consultation, a senior manager mentioned,

"There was need for me to stop overtime in June. Earlier, people worked overtime when they wanted to. I had to go for a need-based system. So, I elevated the authority to grant overtime from the supervisors to me and the workgroup objected to it long and hard. I explained to them later and heard their arguments. But I did not change it as I was convinced that my decision was in the interest of business".

Technological changes affecting employment (e.g. on-line computerised quality tests on the shopfloor instead of doing it in laboratory) too was justified in name of business needs. ICI being a centralised organisation, the factory managers use organisational hierarchy and policies to justify most of the non-consultation at the local level. A senior manager said,

"For a long time in ICI, the top management has been setting targets such as 6-10% staff reduction. This trend has particularly intensified in last couple of years. I just pass on the reasons for various decisions to the representatives and I don't have to be committed to those reasons".

A Laboratory Manager recounted that when he received orders to surrender a part of his laboratory to the Research Department, his department employees resented it. He justified it saying that it was a top management decision and had to be obeyed.

Managers often disagreed with specifics of many directives that came from the top. Such differences are concealed by managers in ICI for reasons of "putting forward a united face", and to "prevent conflicting signals going from the management meaning that management is in disarray". Consultation is restricted by a sense of class loyalty and solidarity that protects managerial privileges and power.

7.4.5. DEMAND FOR PARTICIPATION

Workers' demands for more consultation in a situation where managerial willingness to share decision-making is low, can cause potential for aggravated conflict. Managerial appreciation of workers' demand for participation in ICI is related to what managers mean by participation. As a result, workers' unwillingness to participate in managerially determined activities is taken as insincere demands for participation. In a managerial sense, there has been expansion of participation in ICI in last few years. Most managers agreed that the extent of information sharing has increased though the extent of worker influence has remained unchanged. Supervisors who have come from the ranks believe that the influence of weekly staff has actually gone down.

Managers acknowledge that the workers have always wanted participation in investment and business decisions; changes in technology, work practices and other system changes affecting workers' interest directly (e.g. pension, LWA, hygiene). Many supervisors noted the managerial failure to involve them and the workers in design and installation of new machinery (e.g. T-18 machines) and its consequences. Many managers see vast potential for direct participation in the new systems of DPWR, LWA and small team working. A senior manager argued that participation had some relevance in the union-dense atmosphere of the seventies when

management and labour conflict was very sharp. At that time, it helped to find common ground within conflict. However, with relative weakening of unions and increased managerial willingness to deal with workers directly, formal participation forums are fast becoming irrelevant.

The response of ICI management to demands for participation at the highest level and in wider issues has been luke warm at best and hostile at worst. Some managers located this response in terms of general British industrial relation culture though others saw it in the culture of ICI. A supervisor commented, "ICI as a company and a management like to run the show and hold the reins and don't want to be told that they are wrong". In this context, the Joint Consultation Agreement of 1971 and the formation of higher consultative bodies later, may be interpreted as exercises designed to keep ICI protected from government sponsored participation initiatives (e.g. the Bullock proposals). The ICI management is positively reluctant to go for Worker Directors or other forms of co-determination within existing structures of power. Most managers saw ICI liberal enough to discuss it but not likely to go along with it. The unity of interest and the lack of workers' understanding of business due to dearth of training, skill and experience are the major arguments in keeping workers out of decision-making roles. A senior manager said, "Managers should be open to ideas and suggestions and weigh it. But managers decide what is good for the business and what is good for the business is good for people..."

Talking about abilities, a senior manager observed,

"Maybe even the most senior union leaders are not capable of understanding complex business matters. It sounds horrible to say, but stewards are, honestly, stewards not because they look at things differently or broadly but because nobody wants the job and they are the loudest....ICI Directors have always been persons of calibre with education and experience which cannot be fostered in a shopfloor worker overnight".

ICI is viewed as a meritocratic organisation where ability alone can

take you to the highest positions. From that viewpoint, worker participation at the highest level, it was argued, is a negation of the meritocracy. The paternalistic argument against worker participation at the highest level was that it creates contradiction for the stewards. Many also feared that it could undermine the position of junior and middle manager who also had no say at the highest level. Thus, power and position of the managers were a consideration in the participation arena.

CONCLUSIONS

The discussion in the preceding section suggests the following conclusions. The tall participation structure in ICI does not have jurisdiction over all issues dealt with by the corresponding level in management hierarchy. ICI management has exclusive control over most key business decisions. This often leads to discussion of issues at the highest level that could be dealt with at the factory level forums. The further issues go away from a site, the more these get diluted, increasing management freedom of action. This in a way trivialises both company level and factory level forums. Centralisation of business decisions also trivialises participation forums at divisional and factory level and affects managerial attitude to participation.

Prior consultation in ICI is mostly about implementation of decisions and not the decisions themselves. Such consultation is used to seek support and to rationalise the decisions. The stewards' channel is used through the participation machinery to legitimise some key but controversial decisions. Combination of fear and promises successfully carry management proposals through the consultation process. The unstable business conditions facilitate employee acquiescence and the business situation is effectively used by the management to that end in the participation arena. Prior

consultation has, thus, made tangible contributions to management achieving business objectives. Despite the successes, management resistance to union presence in consultation continues and more non-union based modes are being pursued.

7.5. POWER AND PARTICIPATION

Power as a consideration in managerial action in the participation arena of ICI has been touched upon in the earlier section. This section particularly focuses on managerial perceptions of their own power in ICI and its relationship with employee participation. It also examines the position control in various participation forums, proposals for changes to the system and use of informal consultation as facets of power consideration. Such considerations could be manifested in various forms and different notions of power could lead to disparate approaches.

Most of the managers interviewed at Gloucester saw their role in ICI in terms of their position power, which was both relational and resource-based. Most of them used expressions like "power", "control" and "authority" synonymously. Their relational position power was mostly premised on the ability to allocate work, discipline people, move people, and even the ability to decide whether to involve employees. Often the end-results of the exercise of power i.e. achievement of management goals and task (i.e. control) gave them a sense of power. Power was also looked upon as a responsibility and process of influence and a senior manager said, "I have a sense of power. I am ultimately responsible for what goes on here and I have a major influence on it. I can stop things and I can introduce things whether you like it or not".

The resource based position power consisted of control over the use of information and over elements of employee rewards e.g. grant of

increment, discretionary bonus, promotions and budget. Some managers saw power as a feature of the managerial class. One Engineering Manager said, "Your job title, position in the hierarchy, responsibility, all give a sense of power and people out there know it". But managers acknowledge the countervailing power of workers which they said, did not allow them to be autocratic.

The relationship between participation and managerial power was seen as both competing and complementary depending on the nature of participation, nature of power and to some extent, the character of individual manager. Most managers saw union-based participation- where managerial decisions are scrutinised- as a constraint on managerial power, authority and control. A very senior manager commented, "It must be curbing managerial power and that must be one reason for its introduction i.e. to curb managerial misuse of power".

On the other hand, managerial control was said to be enhanced through direct small group participation in problem-solving activity, idea generation, self-regulation. Many managers indicated their preference for concepts like TQM in that context. A senior manager said, "If participation is used in the organisational interest, it makes a manager's job easier and more satisfying as better results are achieved". Managers also indicated that they could defend their powers from intrusive participation. A senior manager said, "I am not threatened by participation. Participation may influence a decision only if I choose to be influenced. Ultimately, it is the manager who has the power to decide".

In ICI, there has been no pre-emptive attempt to limit workers' demanding more participation in decision-making. It used to happen as a policy in the days of Alfred Mond which, in his words, (1927:3) was "foreseeing reasonable demands and.... granting them even before they

were asked". But many managers felt that the curbing effect of participation on managerial power could be limited by managers through measures such as control over information, fewer meetings and reducing number of representatives on various bodies. An Engineering Manager recounted, "I had requests for representatives of one JC to attend another. I declined for I saw no purpose in that. They had a negative purpose as information from one JC to another could complicate matters".

7.5.1. POSITION CONTROL WITHIN FORUMS

Participation's encroachment on managerial power is sought to be controlled by keeping the key aspects of the forums' activities in the managerial domain. One such key aspect in ICI is the Chairmanship of the participative forums, which are held by the management representatives with the single exception of the Catering Committee. Only one senior convenor claimed that ICI at one time had had a system of joint chairmanship.

Most managers did not see chairmanship as a position of power, but justified the management chairmanship in terms of a variety of reasons. Some attributed its continuance to the Constitutions of the respective forums and others ascribed it to tradition. Many saw chairmanship as a leadership role, which by definition, is a part of management function. The Operations Manager said,

"In most forums a variety of topics come up and you need some one with executive power to say 'yes' or 'no' and I can't see a steward doing that or being given that authority. Nowhere in ICI it is done. A worker Chairman may only make the shopfloor feel important".

Articulating the problem of having a worker chairman, a middle manager said, "There can be a real problem with a worker chairman if he is a management basher and does not have the company interest at heart". Limited information base of workers was advanced as another

hindrance to them becoming chairmen, though the flow of information to workers is controlled by the management. This meant a double negation. A senior manager said,

"The present JC is based on management leadership. Since most discussion in JC are about business situation, the leadership and agenda has to be dominated by those who are privy to business information".

A worker chairman would, therefore, not only mean passing on the control of that forum to a worker but also allowing him access to much information that otherwise would not be shared. Having a manager chairman also controlled the information that workers get about the work of these forums. A senior steward reported that under management chairmen, the minutes of meetings play down the contentious issues raised by the unions and make them look like trivial. All managers interviewed expressed their own personal cautious inclination to accept worker chairmen, but were doubtful if their managerial colleagues would accept it. An Engineering Manager said,

"Most of my colleagues will treat such a proposal with utter disbelief. At junior management level, they don't think we are as tough as we should be and they would see it as another soft soap and a loss of management control".

Managers felt that the objections to such a proposal would be that it gives no tangible benefit for the management and, indeed, could be dysfunctional for the company's goals.

Many managers conceded that the steward chairmanship of the Catering committee is a tactical move aimed at maximising management control in that area. A manager with executive authority can be subjected to immense pressure within the Catering committee for decisions and actions. Thus, a steward chairman acts as a buffer as he has to come back to management for all ultimate decisions. This contradicts the previously argued management position that chairmanship has to go with executive authority. In view of the recent cost cutting exercises in catering, this arrangement proves all the more

convenient.

7.5.2. USE OF INFORMAL MEANS

The managers at Gloucester reported extensive use of informal and personal contact as means of gaining acceptance for managerial plans. Many found it easy to persuade representatives in a one-to-one situation than in a formal consultative forum, where the stewards were seen as forced to maintain group loyalty. An Engineering Manager said,

"JC requires a representative system. Some issues discussed there do not concern some of the representatives but they contribute their two-pennies worth and create more problems about it. When you discuss it informally you can discuss it with people of your choice".

The choice of informal or formal means was reported as issue dependent, since matters of significant change had to be discussed with all senior stewards in a formal forum. But there again, much of the conditioning of the representatives is done through informal discussion before a matter comes up in the formal forum.

Informal discussions are also held with the opinion leaders, who are not necessarily stewards, as a means of exerting pressure on the stewards. This kind of discussion also forewarns the management about the likely response to managerial proposals in formal bodies. This approach will be enhanced when the Local Working Arrangement comes into effect. A new manager recounted how he succeeded in getting a common job description for both electrical and instrumentation workers through discussion at the local level which he felt would have been impossible through normal consultative process.

7.5.3. PROPOSALS FOR CHANGES

Proposals for change in the participation arena may be said to be stimulated by managerial experience with the forums in terms of their impact on managerial power and control. The ICI management, taking advantage of the adverse business situation, has formulated business plans involving changes in many areas of activity. These changes are being used as a rationale for further changes in management-employee relations and employee participation. In the current situation, ICI management finds a good opportunity to restore some of the balances lost during the union-dominant seventies. As a very senior manager said,

"The JC of the sixties is out-dated today as it does not involve enough people. It is an old paternalistic view that JC allows opportunity to everybody to know about the company and to input their views...In the hostile climate of the seventies, it was a means of letting out steam. That purpose is only partially served today".

The provisions of flexible labour movement under the BIP, led to the question of employment conditions being made similar to facilitate inter-occupational mobility. The management seized the opportunity to push for "harmonisation" i.e. doing away with the divisions between weekly and monthly staff. It is unclear whether the harmonisation plan includes managerial personnel also (in researcher's understanding it does not). In the past, ICI management has repeatedly rejected (even by the Board in 1949) the idea of harmonisation (see Pettigrew, 1985:96-97). Harmonisation, in the present context, is a strategic step towards achieving other aims discussed below.

As an adjunct of the idea of harmonisation, the management is pushing for, what it calls, "jointness" i.e. to bring both the weekly and the monthly staff together under one consultative forum at all levels-factory, division and the corporate. The monthly staff favour the

idea since their consultative forums are virtually inconsequential and they expect their influence to grow in a combined forum. The weekly staff unions are unenthusiastic about it for they see in it a clever management ploy to dilute their strength. The monthly staff in ICI got unionised only in the mid-sixties and even today, only 50% of them in Gloucester factory are in the union. Traditionally, the monthly staff (most of whom are supervisors) have been viewed by the weekly staff as a part of the management and that feeling partly persists. Moreover, some monthly staff representatives on consultation forums are not union members whereas all the weekly staff representatives, under the 1971 agreement, have to be union members. Thus, "jointness" in its complete sense is trying to even cut across the divides of unionisation and non-unionisation. Indeed, it may be interpreted as a management attempt to be free from the shackles of the 1971 agreement. It would also complement other managerial strategies of direct involvement of workers e.g. Team briefing and small group activities.

Management is keen on "jointness" for both its economic and political benefits. On the economic side, it would substantially reduce the operational costs of joint consultation, which in the present business situation, serves as a major justification for "jointness". The political agenda, however, is more hidden. Despite the reduction of jobs by over a half over the last decade, the extent of representation on various bodies and number of bodies have not changed. "Jointness" would allow for a fundamental restructuring of the consultation structure with probably fewer meetings, fewer representatives and fewer layers of consultation.

Less frequent meetings would mean more time for the management to fully inform its managers before the information reaches the representatives. Under the present system, representatives on these

forums often get to know somethings before the junior managers know it, which causes embarrassment. Team Briefing as a cascading process is meant to partially rectify this problem and the reorganisation of consultation structure would strengthen it. Once the process of change starts, the inter-linked nature of the consultation structure will necessitate further changes and will be its justification.

The reduction in forums and meetings is likely to reduce the influence of some union leaders. A manager commented, "Some stewards take individualistic stance irrespective of what is workers' true opinion. I would like to be in touch with workers' genuine feelings". In fact, the management is not concerned about the number of forums as such, rather, their nature. They are promoting numerous Briefing Groups (consistent with management strategy to control communication) at the same time as combining the area consultative forums. The long term goal is of responsibility-centred participation. As the Works Manager envisions,

"I look forward to semi-autonomous work groups. The present system of shop steward representation is based on a perception of stereotypes of conflict of interest. If you get autonomy, you straight cut into this adversariality".

In a recent contact with ICI, the researcher learnt (in November 1992) that a position paper about restructuring of participation is under circulation in the company. This is the first step towards replacing the 1971 Agreement and contains management proposals for "jointness" and other initiatives. The union response to it was awaited.

CONCLUSIONS

The following are the conclusions of the section 7.5. Managers in ICI displayed a strong sense of position power which they saw as being affected by union-based participation system. More individual and small group participation was seen to strengthen managerial control

through problem-solving and idea inputs. Management in ICI has chosen to retain control of key positions in the participation forums to protect their power from encroachment, justifying it in terms of the executive authority of managers. The chairmanship could also give control of information to employees which is a vital resource for the management. However, there are departures from this pattern where, in management perception, overall control is improved by giving such positions to employee representatives.

Most of the proposals for change are meant to dilute the power base of the union and the consultation forums. The business situation and strategies provide acceptable rationale for pushing through the changes. Similarly, informal consultation has been another way of reducing the direct impact of consultation forums on managerial freedom of action.

7.6. INDIVIDUAL MANAGERS AND PARTICIPATION

This section looks at how individual managers view their position in the participation forums and how these forums affect their effectiveness. In the absence of a declared policy on participation, as is the case in ICI, the functioning of participation forums can depend on managers' perceptions about these.

Most managers interviewed thought that the present consultative structure contributed to their effectiveness as managers. They saw the value of consultation- particularly in putting across the messages about the state of the business. As a supervisor reported, "JC keeps workers more informed about the business and hence, they are more co-operative to my plans. I don't have to fight every inch of my way". The role of JC in this regard, it was held, could improve but for union's reluctance to carry managerial messages all the time

which is understandable for much of it ultimately works against the unions. It was felt that more direct forms of participation would improve such communication. LWA, DPWR, Jointness are all steps in that direction. JC also alerts managers to problems. As the operations manager said, "I have realised that it is not always big issues that cause big problems". Thus, this aspect of participation will be preserved and enhanced under the new systems proposed.

Most managers agreed that the success of participation and consultation depended largely on the attitude and temperament of management, in general and that of individual managers. A junior manager related, "If a manager has wrong attitudes, does not believe in participation, others can read it and it shuts people off". Many managers in ICI see consultative activities as a burden due to the union role in it, and are enthusiastic about the softer options being proposed by the management. However, a convenor reported that successful managers who are not participative, are accommodated by the management as their results legitimise their style of working.

Joint consultation is valued as a symbol within ICI- a sign of accessibility and openness of the management. A senior manager said,

"Participation as a symbol helps building quality within the organisation. When people understand why they are doing things, when change occurs, they accommodate and adjust more easily..."

However, many observed that its symbolic significance forces managers to put up a show of participation irrespective of their individual feelings. Poor leadership, poor communication abilities, authoritarian outlook were all considered detrimental to participation (and many managers in ICI were reported to be of this kind in spite of careful selection process). There is evidence in the minutes of various consultative bodies that both managers and employee representatives have walked out of such forums at times, complaining of the attitudes of the other party.

Managers in ICI consider it difficult to change their own or others' attitude and styles. But the top management at ICI has always held the so called "participative style" (mostly talking and selling) as a progressive style and value. A middle manager commented,

"If you can demonstrate that the participative management has benefits and you can make people comfortable with it, then they may be participative. Managers see participation as a threat to authority and status. If it is a declared company policy and there is pressure for it from the top, you will find it difficult to go the other way".

ICI managers have been sent on a large number of courses such as Interaction Management, Conflict management, Communication, Problem-Solving, Leadership Training, and these are considered as attempts by the top management to foster a participative style. Team Briefing too is seen as a step in that direction. Most managers reported that training activities of this kind began mostly in the seventies, which is significant as the joint consultation agreement was signed in 1971. Many considered problems arising on the shopfloor (problems of quality, waste, low productivity) due to lack of participation, as the greatest pressure on management to be participative. Participation as an element has been built into both the TQM and DPWR programme at ICI and the Performance Management package under the latter programme has participation as a key criteria of management appraisal. However, at individual manager's level there is cynicism about efforts to make managers participative. One senior engineering manager commented,

"The problem with ICI is that we have been through many initiatives about managing people. In this attempt, the subject has been more and more simplified. The problem with simplification is that it has given the impression that we are dealing with a universal being who can be managed in this style and he will do everything perfect. That is not the case".

A convenor remarked that the managers come back from these courses and reverted to their old habits in two to three weeks. Despite the efforts of the top management to create a participative spirit in managers through training, many managers still believe that they are

indeed the better decision-makers and reported having attempted to persuade the employees to accept this idea. Such persuasion is invariably founded on the argument that the managers are able to construct a bigger picture of the reality configurations because of access to superior information. Only a small minority of managers stated that they had not tried to use such persuasion. An engineering supervisor said,

"All trades people have an ego. They understand that somebody has to allocate work and co-ordinate..Not everybody can be part of all decisions, some understand that and some feel they do not need any supervision and may be there is some truth in that. These people rarely accept managerial superiority".

The dichotomy in ICI was pointed out by a senior representative,

"The problem with the company is, there is the good old ICI and the new DPWR, the principle of involvement and arrogant managers. They foster and put around you all these ideas and when it comes to the hard reality of manager and his workers, it does not happen for various reasons- such as bad business situation or lack of time".

Most managers acknowledged that the workers in ICI have come out with wonderful ideas through the suggestion scheme that have saved the company both money and trouble. However, that is not considered superior judgemental ability but rather a product of sheer experience with processes. Managers, it was argued, could not think of the same due to lack of time and other wider pre-occupations. However, the problem-solving abilities on the shop- floor are still seen as an untapped resource in ICI. Tapping this resource was also reported as easier done on a one-to-one basis than through any collective arrangement. That partly explains the use of informal channels and one-to-one discussions reported earlier and the push for local arrangements. Some managers reported that business success of the organisation legitimises the notion of managerial superiority which comes under tremendous pressure during a time of economic downturn. Worker responses like "you are the manager, tell us what to do" in response to calls for ideas, is interpreted by the managers as acceptance of managerial superiority. But the convenors see it as a

fitting response to managerial pleas of right to manage.

7.7. INFORMATION DISCLOSURE IN ICI

Since the possession of information has been repeatedly cited as a justification for management right to decide on many issues, it is appropriate to discuss here how this powerful resource is handled in ICI, what is disclosed, what is kept under wraps, when, why and how.

A supervisor's description of ICI as an "information hierarchy" speaks volumes about the nature of information dissemination within the organisation. The managers reported sharing information, which they considered likely to achieve managerial objectives and that which they thought the workers were interested in. The latter is seen as paternalistic attitude by the employee spokesmen, though the management argues that these needs have been identified through information needs surveys in ICI. The distinction between the two categories of information was not very clear-cut. The information that is shared voluntarily includes cost data, absence figures, plant performance figures, the quality problems, the market complaints, the business situation, the needs of BIP, the expectations of performance from employees about SHE activities.

Much of this information, though is said to be based on workers' need to know, but in reality, it is often connected with managerial targets and is given to persuade employees to co-operate. It is geared towards creating a unitary perception of needs within the organisation. Talking about selectivity of information, a manager observed, "It is not good to saturate people with information. So we have to decide what is relevant for them". It is often very difficult to derive any meaningful conclusion out of some of the information shared. For example, when the performance of Gloucester factory is

said to be bad, employees in Gloucester have no way to compare their performance in relation to the other sites within ICI.

The repeated and frequent references to the business situation is found in all information that is shared. This is justified with the argument that unions in ICI have protected and stopped the workers from accepting the demands of company objectives which makes the task harder for the management. The union is resistant to blatant use of economic situation to push through changes. A manager sympathetic to workers' predicament commented, "The problem with ICI has been that the reward for being involved in beneficial changes that reduce jobs is to lose your job. Naturally, they are resistant to such messages". It was reported by all, that the information sharing substantially improved during the Hanson bid for ICI.

7.7.1. INFORMATION THAT IS NOT SHARED

Many managers and supervisors were not sure as to what information is not shared with the workers, as many claimed that they did not have much information anyway. Information that is not usually shared within ICI as a matter of policy is that which is said to be stock market sensitive by the management (part of it is a legal requirement). As a senior manager said, "I am told a lot of confidential things like closing down equipment leading to loss of jobs. I am privy to lot of forward plan and strategy for next five years. Keeping these confidential is a part of my responsibility". Most such information is considered sensitive for only a short period of time and ICI as an image-conscious company does not want any bad media exposure. As one manager commented, "We are next to British Nuclear Fuel as pollutants, so we guard all information closely".

Those who used business sensitivity as a reason for non-disclosure of

information were short on details about what kind of information they referred to, and how its disclosure was likely to support competitors or alienate customers. However, one of them said, "If a product is not doing well or we are thinking of divesting from a business, if that news leaks it might undermine customer confidence and affect business". It was generally agreed that there is no outright refusal by the management to share particular information. However, a supervisor remarked, "I am sometimes not given some information because my managers don't know it or say they don't know it. In a couple of things they know but claim otherwise".

In the absence of a clear policy on information disclosure, the managers use their own judgement and this creates a confused picture among the workers. On the question of sharing exact profit margin on a particular product, some said they could and would share it, some said they would not. A third group felt that it could not be shared as exact margin cannot be ascertained under a "cost-centre" system of accounting. Similar division was noticed with regard to disclosure of managerial salary.

7.7.2. CHANNELS OF INFORMATION SHARING

Consultative forums traditionally have been the major channel of information sharing with the shopfloor mediated by the stewards. What kind of information is shared at what forum is decided by the management keeping in mind the level of managerial involvement in it. At the works committee meeting at Gloucester, for example, detailed presentations are made about absenteeism, business trends, engineering, safety, conversion efficiency and the like. At higher levels, the information shared is more about the business trends, business decisions and plans.

The management dissatisfaction with the steward-centred communication system has been noted earlier. The briefing groups designed to remedy this problem, is an additional pillar of centralisation within ICI. This co-ordinates the information flow from the centre to promote a similar perception of problems within ICI. A manager supportive of team briefing said,

"JCC is a flawed system for it is not the job of the steward to sell and persuade on behalf of the manager. It is the manager's job. When you pump a serious chunk of business information do you expect the steward to go and feed it effectively to the shopfloor? He has neither the training nor the details to do so".

There is room for local information in team briefs but it is so highly key-theme oriented that the discretion of local manager or supervisor gets narrowed. The briefing centrally co-ordinates the timing of sharing of information i.e. all get the information during a certain period and there is no premature leakage. This retains management's strategic control over the timing of disclosure. However, a supervisor said,

"Team briefing is a farce. My shift people already know the information from their mates before they hear from me. In TB what you are doing is to read out what you are handed down. People ask me if this or that rumour is true. I can't answer nor discuss the information as I have no ammunition to discuss those".

"The main complaint of people is that they don't have information and not that they don't have opportunity to discuss it" was the comment of another supervisor.

7.7.3. MODES OF SHARING INFORMATION

Information sharing in ICI takes various modes, each providing different tactical advantage to management. These modes are self-disclosure mode, conditioning mode, time specific mode and dualistic mode. The information shared in the self-disclosure mode (i.e. when management willingly on its own shares information) is rather

innocuous, quantitative, targeted and is periodical. The production data, cost data come within this category.

In a conditioning mode, information about future development is hinted at to condition workers to accept these developments. Much of this information is imprecise, full of conflicting signals and start as rumours. A manager said,

"Rumours pile up that the business is bad, stock is accumulating and we are going to have shutdown during Christmas, voluntary retirement scheme is coming again. People ask me about it but I don't know exactly the answer". This kind of situation fuels the rumours".

A convenor remarked,

"In team briefing, management indirectly floats rumours about job losses. When management later proposes a smaller than rumoured job loss, it is readily and gladly accepted by the workers. That is why sometimes they pay overtime to people to come, sit around a table and listen to them".

In a timer mode, time of disclosure is a key consideration. This is usually the case where the information is about significant changes. Changes involving job losses are of this kind. In this sense, the claim of managers that everything is ultimately shared is correct. A manager remarked, "You get a bad news, you sit on it for few weeks wondering how to break it to people". Another manager observed, "When we are at the stage of developing a plan, we don't share all our thoughts about it as we are doing about LWA currently". The works manager commented about the timing dilemma,

"It is a matter of judgement when we share information. Sometimes you can't go thinking beyond a point without sharing it. Suppose we are thinking of selling an element of our business. If I share it early, all kinds of questions will come from the workers which at that point I may not be able to answer. So they will say why the hell are you talking to us if you don't have answers. If I keep it to myself I get accused of not sharing early enough. I am more concerned about the timing of sharing information than what is shared".

In the CBIC minutes, the researcher found complaints from the convenors about being brought in to the picture too late in matters of investment and divestment. A convener reported,

"Most often matters about closure comes out first in the press, which is irritating to say the least. We are told so close to the event that whatever we may say would have no impact. We understand the regulations of stock market and its sensitivity, but sometimes they stretch it too far".

In a dualistic mode, information is given to convenors but they are asked to keep it to themselves- which possibly puts the convenors in a more awkward situation than being involved in the decision about closure itself. This mode is also used to pass on conflicting messages. A convenor related his experience with an Area manager about movement of people which he was told was only temporary, which later, proved not to be the case. He remarked, "Either the area manager was lying or he did not know himself, which is a strong possibility".

CONCLUSIONS

The analysis in the previous two sections suggests the following conclusions. The attitude and behaviour of individual managers has a significant impact on managerial action in the participation arena. Despite the management efforts to promote a participative culture through training activities , it has had limited impact on managerial attitudes in this regard. The belief in superior managerial ability to make decisions and the inherent resistance to the union frequently is reflected in the participation arena.

Information as a primary resource of managerial activities is centrally controlled. Recent changes in the participation structure, like the briefing groups, have helped to further centralise it. Lack of information and its delayed availability affects the workers' ability to influence organisational processes and promotes managerial freedom to act. Various tactical modes of information sharing help the management to control the workers' response to various proposals.

OVERALL SUMMARY REMARKS

In this chapter, the managerial action in the participation arena of ICI U.K. has been discussed based on the data collected from its Gloucester factory through interviews with different actors, study of company document and occasional non-participant observation. The contemporary events and issues in this area have been discussed with reference to the organisation's history and various forces interacting with it over the years.

It was found that employee relation and participation have been subjects of importance within the company since its inception. The original paternalistic participation system has been increasingly shaped by business needs and the collective strength of the employees. Though the participation arena is large and reflects the entire length of the organisational structure, the issues open for participation have a limited reach. Trivialisation is, to a degree, built into the system. Instability has been relatively absent in its participation structure, which is partly attributable to the consultation agreement of 1971.

The turbulence in the fibres business is increasingly shaping managerial action in the participation arena. Management is mostly attempting to exploit this for furthering the interests of the business, using unity of interest as a prime rationalisation. Participation arrangements are becoming more centralised through management initiatives like the DPWR, LWA and BIP, and workers' ability to respond is getting more fragmented under the new schemes. The proposed demerger of ICI is likely to further strengthen this trend. Most of the new initiatives are geared to preserve managerial freedom of action, limit union's intrusion and further business objectives.

CHAPTER 8 PARTICIPATION IN ICI INDIA

INTRODUCTION

This chapter discusses the case of ICI (Fibres) India: the first polyester fibre manufacturers in that country. The management action in the participation arena of this company has been examined primarily based on the data collected at its Thane factory (in the suburbs of Bombay). This analysis takes into account the Indian subsidiary's relation with the parent company, the employee relations developments within ICI Fibres India and the framework of Indian labour legislation. This narrative analysis occasionally draws comparisons with the parent company, leaving more details for discussion in the next chapter. Unless otherwise stated, "ICI Fibres" throughout this chapter refers to ICI Fibres India only and not its parent company.

The chapter begins by tracing the origin and growth of ICI in India with particular attention to the Fibres Division, and then goes on to discuss the Indian subsidiary's linkages with the parent company. This discussion is based on company documents and interviews with the top executives of ICI Fibres. The chapter then proceeds to examine the participation structure at the Thane factory, the purposes for which participation is used by the company and its managers, the levels and issues of participation, how power considerations are manifested in the managerial action and other related themes. This part of the discussion is based on the field data collected through interviews with managers and union leaders; observation of participation forums at work and the study of the minutes of various meetings.

8.1. GROWTH OF ICI IN INDIA: IMPERIAL CONNECTIONS

This section studies the growth of ICI in India and particularly that of its fibres business as a background for understanding its impact on participation. It may incidentally be mentioned here that unlike ICI U.K., as far as the researcher's knowledge goes, there is no academic or independent research literature about ICI India or its Fibres Division.

Back in 1911, Brunner Mond, one of the four founding companies of ICI U.K., set up a trading office in Calcutta. The key influence of Brunner Mond within ICI U.K. discussed in *Chapter 7*, possibly extended to India also, for Calcutta subsequently became the base of ICI in India and continues to be so up to the present time. Imperial Chemical Industry (India) Limited incorporated in 1929 as the merchant of ICI alkalis and dyes, was the first actual ICI agency in India. It continued as such until the ICI companies in the U.K. took over their own selling activities. This company was later changed to a manufacturing concern called Crescent Dyes and Chemicals in 1978.

In 1937, ICI's first manufacturing site making caustic soda and chlorine started in West Bengal province under the name of Alkalies and Chemical Corporation of India (ACCI) Limited. Indian Explosives Limited (IEL) as a joint-venture between the Government of India and ICI was incorporated in 1954. The Chemicals and Fibres India Limited (CAFI) which today constitutes ICI's Fibres Division, came into existence only in 1961. The interesting aspect is that the re-organisation of the businesses in the U.K. always had corresponding impact on the businesses of ICI in India. Consequent upon the re-organisation of ICI U.K. in the early eighties, the businesses in India were re-organised in 1984 by merging the ACCI, the CAFI and Crescent Dyes and Chemicals with the Indian Explosives Limited, which then was the largest of the ICI companies in India.

This merger brought all ICI operations in India under one umbrella company called the IEL Limited ("IEL" not being an abbreviation of anything). ICI Plc. then owned just over 50% of the equity in this amalgamated company which employed 9700 people. As in the U.K., IEL's businesses in India were also organised into a divisional structure. More recently, in 1989, the IEL Limited in India changed itself to ICI India Limited but retained the old divisionalised structure. This change of name was part of worldwide strategy of promoting a common image for ICI. ICI's presence in India today includes its international businesses like the paints, speciality chemicals, explosives and regional businesses like fibres and rubber chemicals. It has seven factories (one factory under construction) in India spread over an equal number of provinces.

8.1.1 FIBRES DIVISION IN INDIA

Originally, the fibres operation of ICI India was run by the Chemicals and Fibres India Limited (CAFI) which started the production of polyester staple fibre in 1965. In terms of time, the Gloucester factory in the U.K. and the fibres operation in India (including the Thane factory) belong to exactly the same period which is reflective of ICI's global interest in this business and the business potential of fibres at the time. But the only difference is that, in India, the fibres business is much smaller and correspondingly, there is only one fibres manufacturing site i.e. the Thane factory. ICI being the first manufacturer of man-made fibres in India, enjoyed undisputed supremacy in Indian market till about early eighties during which their capacity increased from 2000 to 10,000 tonnes per annum. The re-organisation of ICI India in 1984, brought CAFI and the Crescent Dyes and Chemicals together to form the Fibres Division. More recently, its speciality chemicals factory previously located in another part of Bombay, has been shifted to the premises of the Thane factory for more space and

reasons of economy. Consequent upon further changes in ICI U.K., very recently the Fibres Division in India has been renamed as Fibres Business Area.

The business performance of ICI India in the last decade has been poor (in 1990, the company did not declare any dividend in India) largely due to the decline in fibres business. The reasons for this have been listed as overcapacity, high raw material costs and low market prices. The fibres production capacity in India rapidly expanded in the early eighties because of government granting licenses to many Indian manufacturers who opened factories in low-cost areas. In the mid-80s, ICI Fibres too went on to expand its capacity and established a continuous process plant at Thane to tap the export market. It came at a time when the world fibres market generally was sluggish. This plant initially suffered from technical problems and had to be shutdown in May 1989 (it was restarted in January 1990). This uncomfortable business scenario has had effects on various managerial actions and the same has been discussed later in the chapter.

8.2. PARENT-SUBSIDIARY INTERACTION

This section discusses how the Indian subsidiary (particularly the Fibres Business Area) relates to the parent company in terms of channels of interaction and the nature of control. The analysis includes study of parental control over employee relations matters in ICI India. It also examines whether and if so, how these affect managerial action in the participation arena in ICI India, particularly at the divisional and the factory level. The centralising tendency as a historical continuity in ICI U.K. has been noted in the previous chapter. In this chapter too, the effect of business reorganisation in the U.K. on ICI India's structure, has been recorded. In view of this, it is pertinent to explore in some

detail areas of home-host interaction. The material discussed in this section is based on the interview with the Vice President (Fibres) who is the functional head of the fibres business in India and for all practical purposes, is the only link (other than the Managing Director of ICI India to who he reports) with the parent company as regards the fibres business in India. Some company documents from the parent company too have aided this analysis.

Unlike Cadbury India, where the Chairman and Managing Director is an Indian national, the Managing Director of ICI India has usually been a non-Indian agent of the parent company and so have been three-four Directors on the Indian board. This may be taken as a feature of the centralisation strategy of ICI.

8.2.1. CHANNELS OF COMMUNICATION

The channels of communication between the parent and the subsidiary in ICI are varied, primary of which is the interaction of key management players from ICI India with those of the parent company. The Vice President Fibres reports to the Managing Director of ICI in India who in turn reports to the Regional Executive in Millbank with responsibility for the businesses in South Asia and bits of Africa. Apart from the visit of the Vice President or the Managing Director to discuss specific issues with the parent company, there is no formal, fixed or periodic forum for interaction with the parent company. Some representatives of the parent company such as the territorial directors also visit ICI's Indian units for specific purposes.

For technology and operations, ICI Fibres deals with ICI's Harrogate operations in the U.K. The plants of ICI Fibres have been designed and commissioned by experts from the parent company. The Thane factory is serviced by a small engineering and design concern also

located at Harrogate (this relationship could change with complete closure of Harrogate). The Vice President said, "So the links with the parent company are functional in terms of sales and export. We also interact with them for processes, standards, technology and lastly about safety, health and environment (SHE)". There is a SHE conference every year in ICI U.K. to co-ordinate the SHE activities of ICI worldwide which is attended by some representatives from India. Thus, the Thane factory is dependent on the parent company for much commercial and technical support and there are strong functional links between the two. A long serving manager of the company said, "Most of our plants, particularly the old ones are totally set up by the parent company. You have a start-up team, a construction team, all coming from the U.K.". The linkages of ICI India with the parent company in this sense is much stronger than that of Cadbury India with Cadbury U.K.

ICI's centralisation strategy is founded on an elaborate system of standards, guidelines and manuals about technical, safety and operational aspects which the subsidiaries are expected to follow. These indeed have a very strong controlling effect on the subsidiaries as the latter are expected to adhere to a global image and policy of the company. The scope for participation at the subsidiary level- even in these non-power oriented subjects- is restricted to their implementation. Thus, participation even at the shopfloor level in matters that are conventionally held to be of workers' interest and within their capability, is indirectly limited by centralising tendencies within ICI.

8.2.2. PARENTAL CONTROL: DIRECT DEVICES

Apart from the indirect effects discussed before, there are more direct devices of parental control that have significant consequences for the participation arena. These are discussed below.

The strategic importance of centralisation and control over subsidiaries in ICI is signalled by the fact that, even after the re-organisation of ICI India in 1984, the parent company continued to hold over 50% of its equity. All other multi-nationals, at the time, were diluting their holding in Indian subsidiaries due to the changes in India's Foreign Exchange Regulation Act. This is not to argue that the degree of control is related to the extent of equity holding, but it certainly is an indicator of the intent to control.

The broad nature of business control was explained by a senior executive,

"The parent company wants that we will be a chemical company. The mission statement wants that. We cannot go into fishing or hotels. Going beyond chemicals will be a long-drawn process".

This being the case, all capital expenditure, addition to assets or any other activity at the subsidiary level beyond the budgeted agreements, requires prior approval of the parent company. As a result, all strategies of growth for the subsidiary like diversification are actively consulted upon with the parent company—a consultation which borders on control. Within the budgeted provisions, the progress of all the activities are reported to the parent company. The matters pertaining to the SHE activities come as direct edicts from U.K. Plant designs and technical standards are expected to be of international specifications and technical audits are carried out by the parent company. Being a chemical company, ICI's concern internationally about safety and environment is laudable, but the way this concern is operationalised puts severe limitations on employee participation at the subsidiary level.

The command and communication structures in ICI India, through which the parent company goals and directives are passed on to its divisions are clearly laid out. The Indian headquarters is responsible for enforcing all these requirements at the subsidiary level. Consequently, the Indian headquarters acts in many matters

more as the agency of the parent company than as the centre of its businesses in India. Commenting on the layers of decision-making process, a senior executive said, "We are a slow organisation. Part of our problem is our convoluted way of seeking approval and directive". In business matters, the parental control of ICI over its subsidiary is much more direct and clear than that of Cadbury. ICI displays more openness about its control and is clear about the need and nature of this control.

8.2.3. EMPLOYEE RELATIONS AND PARTICIPATION: PARENTAL ROLE

Parent company control over business decisions has direct implication for participation in those decisions only. But ethnocentrism in employee relations matters directly affects the way participation itself is structured and has wider ramification for all kinds of decisions. It is necessary, therefore, to discuss the parent management control over matters of personnel, employee relations and, particularly, participation in ICI India.

The parent company has significant input into personnel related activities of ICI India. The Personnel Director receives a large amount of policy guidelines from the parent company that he cannot deviate from e.g. the performance appraisal has to be a formal system, merit has to be rewarded and not seniority. There are also broad policies on recruitment. The Vice President of Fibres said,

"The parent company imposes responsibility on the corporate personnel department at Calcutta to follow personnel policies that project ICI as a caring and progressive multi-national. It is the personnel director who converts his "hukum" (means directive) from U.K. to things that are acceptable in India".

The personnel department in Calcutta audits all these activities in terms of parent company directives. It informs all the divisions in India about the number of staff sanctioned by the parent company for each division and the whole of ICI India. This number cannot be

exceeded without the explicit approval of the parent company and the Calcutta office monitors this. As an agency of the parent company, the personnel department at Calcutta is the pillar of centralisation for employee related matters within ICI India, to the extent that an agreement with the union at Thane cannot be signed without explicit fiat from Calcutta.

In the past, there was an attempt by a British Managing Director of ICI India to promote a U.K. type national discussion between the employees and the management. This, according to a senior executive, led to the problem of "comparison and grievance and unions raising local issues at the national forum to the neglect of national issues". On matters of bonus, the two all-India federations of ICI employees started evolving a joint-stand and the management slowly backed out from such national discussion. It may be mentioned that the two federations of ICI employees in India have grown in strength over the years and the corporate personnel holds discussions with them. However, the two have not been accorded any kind of recognition by the management. Absence of a national legislation in India requiring union recognition has helped the management to avoid the issue.

The top executives of ICI Fibres agreed that they don't have a participation structure similar to that in the parent company nor there was any clear stipulation in that regard. The distinctions were partly attributed to the differences in the nature of trade unionism (unions in ICI India are site based), the type of legal environment and the attitude of the workforce. Explaining the last point, the Vice President said, "The need of workers in India is different from that of workers in Wilton or Gloucester. The Thane employees look upon the company as the be-all and end-all of life. In the U.K., workers only look upon the unions for a better deal". The limited structure of participation was also defended on the

grounds of the comparatively smaller size of ICI Fibres. However, ICI as a whole is definitely large, even in comparison to many Indian firms and other multi-nationals in India.

The ability of the subsidiary management to alter the participation structure in India was also considered limited by the managers. A senior manager said, "Any expansion of participation has to be limited by the basic philosophy of parent management i.e. their right to manage, earn returns for share-holders and ICI's conduct as an international company". Another senior manager, however, observed,

"I don't think in minor expansion of opportunity to participate, the parent company will interfere. They may have something to say about a worker director. The parent company's relations are confined to your results, performance and what you are getting. As long as you work within the policy without being silly, they don't interfere".

It was acknowledged that the subsidiary employees ask a lot of questions about the parent company and particularly the interest of the parent company in India and its future. Some information, such as the budget of international business, is not shared as a principle, while other information is not shared since much of it is not available with the management in India anyway. The uncomfortable management position in participation was described by a senior manager,

"Much of participation is about suggestion, comments, proposals, ideas for improvement. We got to see what is in it for the company and the employees. My ability to change these is related to availability of resources which is controlled by the budget and that is controlled from elsewhere. The guy on the floor says why don't we do it. We plead helplessness as we are controlled. All the time if we say we cannot do it, he loses interest out of disappointment. Lot of managers also feel exposed as they can't deliver what is being discussed by the group".

The participation arena by itself is very small in ICI India and the centralised nature of the organisation and the parental control have much to do with it.

CONCLUSIONS

The following conclusions are derived out of the discussion in the previous two sections. The present day ICI India is the outcome of a merger between once fragmented businesses of ICI in India. As in ICI U.K., in India too, fibres is a late addition to ICI's businesses and has suffered from similar fluctuations of fortune. ICI India has frequently reflected the organisational changes in ICI U.K.

ICI India, like its parent company, shows various signs of centralisation. However, the parent company control over many key areas of subsidiary activity, in some ways, compels ICI India to be centralising. The subsidiary is in a high dependence relationship with its parent company as regards technology, processes, technical support, export and other matters. Most key business decisions and financial and other resources are controlled by ICI U.K. and their operation is strictly monitored at the subsidiary level. The top management of ICI India is in a way, more the agent of the parent management than the point of convergence for its business in India. There are explicit and distinct areas of parent company control in personnel and employee relations matters. On the whole, parent company control and centralisation squeeze the participation arena of ICI India.

8.3. INDUSTRIAL RELATIONS AND PARTICIPATION AT THANE FACTORY

This section gives a brief outline of the industrial relation history of ICI Fibres at Thane factory and the structure of participation therein, as a backdrop for the discussion of managerial action in the participation arena. The data presented here is based on discussion with managers, union representatives and study of company documents made available to the researcher.

Thane factory is probably the only factory of ICI India located in a highly industrialised environment like Bombay (Bombay's industrial environment has been discussed in *Chapter 4*). ICI already had a union operating in its chemicals factory in Sewree (another part of Bombay) and at its regional HO in Bombay in 1965, when the Thane factory came on stream. The management, for strategic reasons, encouraged the same union to take roots at Thane, to pre-empt any militant or chauvinistic regional union getting a foot-hold (such actions are punishable under the current MRTU and PULP Act). Due to the distance between the two factories as well as between Thane and the HO, a local sub-committee of the union was formed at Thane to look after the day-to-day matters. The local leaders gradually became more militant and tried to break away from the original union and form an independent one at Thane. The first confrontation came in about 1969 concerning the payment of bonus.

1970 saw a strike on the bonus issue and it was followed by a lockout in 1971. This began a period of intense inter-union rivalry at the Thane factory which dogged its industrial relations for over a decade. This is the period that saw the rise of K.H.Dastoor (he has been referred to in *Chapter 6* as the General Secretary of the Association of Chemical Workers'- the recognised union in Cadbury India) as a trade union leader. He, as a leader of the agitation, was dismissed from service at the time and so were 234 others whose absence from work (due to strike) was interpreted as voluntary abandonment of service. These events led to protracted legal wrangling in courts of law including the Supreme Court of India, the highest judiciary. The Supreme Court quashed the discharge of the 234 workers which was a major set back for the management. The period saw resistance to the multi-national character of the management as Dastoor was reported to have said at the time,

"ICI management is still following the old tactics of Britishers and its top officials are Britishers. We are now free citizens of India and would not tolerate it".

The bitterness caused, was compounded by a stiff struggle for recognition as the sole bargaining agent under the MRTU Act. The management was forced to take sides (it is difficult to say in retrospect whether it wanted to or not) in this tug of war because of the circumstances surrounding the discharge of workers and their reinstatement. Some of these legal proceedings were continuing even at the time of this fieldwork. The circumstances forced one union and the management to stick together for fear of the other faction and what followed was a relative peace of forced accommodation.

The employee participation process, thus, has been reduced to participation of one union and the management to the exclusion of some of the employees. The mutual dependence of the management and the majority union has trivialised the system. The current recognised union at ICI Fibres is an internal union, all of whose office bearers are employees themselves. The two competing unions at Thane, not surprisingly, are affiliated to the opposing national federations of ICI employees.

8.3.1. PARTICIPATION STRUCTURE AT THANE

The most striking feature of participation in ICI India compared to the parent company is the absence of divisional and corporate level structures of employee participation. None of the managers could explain the reasons for this fundamental difference though some of them referred to the legislative requirements in India and the unrelated nature of businesses. Legislation being minimalist in India and the businesses in U.K. being just as unrelated, the explanations were rather unconvincing.

The Thane factory has, since its inception, had a statutory works committee, meeting about 5-6 times a year. Initially the employee representatives to the committee were nominated by the management

despite the existence of the union. Acceptability to the management was a guiding principle of such nomination. The situation somewhat altered only with union recognition under the MRTU Act and the union started nominating the members to these forums. However, a union leader mentioned that the union, too, keeps acceptability to management in mind while choosing its nominees to various forums.

Compared to the works committee at Gloucester, the works committee meetings at Thane are much more sedate since the nature of representation is not as power-centred. The union-nominees on this committee are the personal choices of the union President and Secretary, and are trusted not to use the works committee as a personal power base to unseat the current union leadership. (The same applies to union choice of members on all other forums). The benefits such as time off from work available to the members of such forums keeps them loyal to the union leadership. But, a section officer said,

"Earlier the same people used to be on all the committees. The management wanted involvement of more people, so they persuaded the union to nominate others. Management felt that the problem in 1970s came in the first place because leadership roles were confined to too few people".

Management is aware of the limited mandate that the employee representatives on this committee have. As a result, it becomes a one-way forum where very little information is shared and much less is discussed (the committee does not get any reports like production, engineering or safety report as it does in Gloucester). The only indication of any management commitment to it can be read in the involvement of the General Manager of the works and few other senior managers in it. Commenting on its overall role, the Production manager said, "Works committee gets many silly matters that could be settled outside".

There are also the usual canteen committee and the safety committee

in Thane factory as these are statutory requirements. SHE (Safety, Health and Environment) as an important activity in ICI has been noted in Chapter 7 and in the aftermath of Bhopal gas tragedy (where thousands died in a gas leak from a Union Carbide factory), the Government of India has also imposed stringent conditions on the chemical companies. Thus, the Central Safety Committee and the departmental safety sub-committees are taken seriously by the management as employee co-operation is vital to safe working and any failure in this respect, could prove too costly to the management. The SHE Manager remarked, "We are always ahead of legislation and enforce 100% of all requirements of ICI India and ICI Plc. In safety, ICI India is probably the best in the ICI group". The Central Safety Committee too is headed by the General Manager and its employee members are chosen by the union whereas those of the sub-committees are chosen by the management.

A medical committee was formed under an agreement with the union to deal with matters of medical reimbursement. Other ad hoc joint bodies are formed to look after matters like sports or annual day celebration. The Provident Fund Committee and the Credit Society Committee are more of managing committees and have hardly any consultative role in the affairs of the company. Both have some roots in legislation. There are 11 quality circles in ICI which are often mentioned by managers as the highest form of participation in ICI and more will be said about them later. On the whole, compared to ICI U.K., one finds absolutely no opportunity for employees to influence decisions at the corporate level, division level or the shopfloor level. One wonders (particularly looking at the situation at corporate level) if these forums at the works level would have been there without the statutory sanctions, and so did a senior manager.

Most of the managers felt that the quality circles and the safety

committees were the only non-adversarial bodies, and that the works committee and the canteen committee were full of demands and conflicts. In the latter forums, it was reported, there is a common perception about the business scenario in which the company is located but management has failed to translate it into significant co-operative support from the workforce.

8.4. PURPOSES OF PARTICIPATION: ORGANISATIONAL AND INDIVIDUAL

This section analyses the various purposes for which participation is used in ICI India as gathered from interviews with different managers and union representatives (all material from this section onwards is based on such interviews and documentary evidence, where available). As argued in previous chapters, managerial action in the participation arena can best be understood through insights into management perceptions of the purposes of participation. In this context, the section also discusses how participation is used by managers in ICI India at their individual level, how they evaluate its success and failure, and finally, how different circumstances influence managerial use of the forums in ICI India.

8.4.1. ORGANISATIONAL PURPOSE OF PARTICIPATION

Managers' perception of the organisational intent of participation can have consequence for their behaviour within participation forums. Statutes are often imprecise about exact purposes of forums prescribed in them e.g. the works committee under the I.D. Act in India (see *Chapter 4*). In such cases, organisational use of it is of significance.

Even though most of the managers referred to the statutory basis of the participation forums in ICI Fibres, the senior managers were keen on arguing that statutory sanctions are not the only basis of

participation in ICI. These managers referred to the medical committee and quality circles as evidence of ICI management's belief in participation. But this belief was not referred to by anyone as having been inspired by the parent company, which contrasts with the case of safety policies. Nor is the belief strong enough to be translated into higher level participation forums. This belief, in a way, was premised on the multi-faceted instrumental value of participation for the management which was articulated by a senior engineering manager,

"It gets agreement and commitment of workers because they are a part of the discussion. Agreement in a committee helps in selling the idea to their force, and things happen. It helps to take things out of the purview of the unions".

Many managers with shorter service in ICI India saw the basis of participation in ICI's "modern and pro-labour outlook", but its use basically for grievance airing and problem-solving. There were no references to "ICI's tradition being participative" signifying relative management detachment from the subject. Rather, a supervisor who was once a union leader said that participation was a conscious response of ICI management after the lockout of the seventies to build bridges and to seek ideas for new relationship. Thus, one strand of its purpose has been building better relationship with employees through discussion and thereby, if possible, to marginalise the union.

The absence of any clear mission statement from the top management has led to managers forming their own views of the organisational intent of participation. The long fought legal battles of ICI Fibres in labour matters possibly account for the limited agenda of participation forums. Legislation in India provides a convenient rationalisation for explaining the differences in participation with the parent company.

8.4.2. INDIVIDUAL USE OF PARTICIPATION

Most of the managers interviewed had, not surprisingly, experience of only the safety committees, since each department has one. They saw their role in the participation forum resulting from either their managerial position or the nature of their specialisation e.g. personnel or safety specialists. The production manager attributed his presence in the works committee to the fact that the production function has most of the workers in the factory. All the managers evinced interest in being part of the safety forums partly because of the importance it enjoys in the ICI policy and partly because they felt its significance for the organisation. The General Manager explained, "The line manager is accountable for SHE activities in our company, so for fullest commitment, he should be associated with it". Most of the managers did not want to be part of any other forum nor did they know much about their working.

Many managers use the forums as channels of communication to receive feedback from the shopfloor and to communicate management ideas, policies and practices. The production manager said, "I try to show how the management view is in line with the company goals and is in the best interest of the employees". Talking of the unitary objective of such communication, the General Manager said, "Once you have basic agreement about data, you can translate that into joint perception. Only then can a common action plan be agreed upon". Occasionally, the works committee and the canteen committee, are used to postpone a problem or to give immediate decisions, depending on what is expedient for management. Repeated discussion of same matters was not only noticed by the researcher in the minutes of the works committee meetings but was commented upon by a manager as a waste of time deliberately indulged in by some managers who call it a "tactic".

The stagnant fibres market and the competition, in the opinion of many managers, has shifted the focus of participation to more managerial-ends like cost-efficiency, quality and the worker input to it. The implementation of new technology and modernisation were seen as areas needing and having benefitted from workers' participation. Contribution in these areas were also seen as leading to worker satisfaction resulting in better industrial relations.

8.4.3. CRITERIA FOR EVALUATING SUCCESS OF PARTICIPATION

All statutory participative forums in India have generally been considered as failures both by independent researchers and government bodies (see *Chapters 1 & 4*). In this context, it is useful to examine what criteria the managers at Thane factory use to evaluate the success and failure of the participative forums in ICI India. It may be mentioned here that no such systematic assessment has been undertaken by the company.

The minimalist character of participation in ICI Fibres was reflected in the criteria of evaluation suggested by the managers. Some restricted themselves to the conduct of the meetings e.g. frequency, attendance, number of issues raised, matters settled, keeping of minutes, number of members contributing. A supervisor remarked, "If the minor problems are making great impact, then the committees are not doing the job well". Most of the line managers saw the success of participation in achievement of managerial aims with least resistance. This is what was referred to as good industrial relations as it is a sign "that both the management and the union have educated their members about the problem tackled". This was elaborated upon by another manager, "The harmony between management and labour can be seen from the fact that neither have taken unilateral action in last few years. We don't have protest more vigorous than verbal protest".

Behavioral signals from employees like resistance to issues, attitude to welfare measures, nature and number of grievances, whether problems get resolved, are all taken by some managers as indications of failure or success of participation in ICI Fibres. That there has been no strike or slow down in production in last fifteen years is considered a success of participation but there is reluctance to talk about the events before that. Though motivation of the workforce and productivity and profitability were listed as some as the indicators, other managers did not see participation having any direct bearing on those. Most of the managers chose to ignore the fact that several disputes with workers were pending in courts of law.

The successes of participation were presented mainly in terms of managerial goals. As a middle manager put it, "In the canteen, we have reduced staff, we procure food items from outside contractors and we have revised price of meals with the co-operation of the workers. The company has gained a lot out of it". The new continuous process plant is run without any increase in numbers employed. This was projected as a major success of the participation process. However, union leaders indicated that with the glut in fibres market- and repeated floating of voluntary retirement scheme within the company- they were concerned with protecting jobs and accepted expanded capacity without demanding increase of staff.

Another explanation for the apparent success of participation stems from the two-union situation at Thane. The majority union is conscious of the other union constantly trying to gain legal authority through recognition, and partly depends on management support to protect its position. This predicament pressurises the union to go along with many of the managerial proposals. Union activity is confined largely to wage negotiation and wherever possible, job protection. Moreover, there is intense competition

between various groups within the recognised union for leadership roles which are decided by ballot every three years. All these result in the participation forums being always used by the management to tell how badly the business is doing and the union using it to raise only trivial issues. As one junior manager put the situation, "The relations at Thane are cordial. But nothing constructive comes out of this cordiality".

In many senses, the apparent success of joint consultation is based on real trivialisation (this was also found in case of Cadbury India). The essence of its success is its very existence. As the industrial relations manager said,

"Without management responsiveness, these committees would not survive. The very fact that these are quite alive and vibrant ...is indicator that it is successful in ICI. It has long died in many other factories".

8.4.4. TIME ORIENTATION OF PARTICIPATION

The participation structures in ICI Fibres, being mainly legal creations, have remained largely unchanged over time. Nevertheless, the use of the structures, and the addition of new structure have shown a time specific variation.

The mid-eighties saw a surge of interest within ICI Fibres about the quality circles (it may be noted here that quality circle as a contemporary best practice has never been used in the Gloucester factory). The timing was significant as there were signs of downturn in fibres business and the continuous process plant was being commissioned. The latter was creating the spectre of job losses among workers and the management was planning to put the plant in place with no increase in staffing. The period required single minded commitment to technological change and diversion of attention of workers to newer areas. Of course, the management had members like the then factory General Manager and a particular union leader

who had a personal belief in QCs. The quality circles were also seen as an answer to containing rising costs and wastage. The strategy about need and nature of consultation at such time was explained by the General Manager,

"When you are not doing well, you need workers' co-operation, you are sensitive to it and give more time to information dissemination. When you are doing well, you put so much effort to keep that tempo, you don't have time for anything else. In bad times, it is not so much a question of consultation, it is more about counselling the workforce about the problem and its solution, as their perception affects their future".

Since the mid-eighties, management use of the works committee to reinforce business information has increased. Earlier, the management was happy about dealing only with the "tea-towel-toilet" issues raised by the employees. But the use of participation in the present times, as a manager said, "does not create a sense of participation among workers, they just don't resist because of the situation". An engineering manager added, "In these times we want more sacrifice from all without reward or recognition. These do not come naturally. You need to persuade. That needs talking". The information-sharing was also reported to have gone up during the events of 1974-75 discussed earlier. The canteen committee, though a statutory requirement, was reported to have been established in ICI in response to a dispute about canteen costs in the early 70s.

CONCLUSIONS

The following conclusions may be deduced from the discussion in the previous two sections. ICI Fibres management in India has chosen to take sides in a situation of inter-union rivalry that has dogged industrial relations in the Thane factory. The participation process is, therefore, confined to one union and a section of the workforce. Participation structures in the company are minimal and at the most, one confined to the works level. The absence of divisional and corporate structures are a significant departure from the situation

in the parent company. The parent company does not in any way encourage the subsidiary to expand the participation system. However, various rationalisations are put forward to account for the differences.

The participative structures have remained unchanged over the years and only quality circles were added with specific objectives in mind during a period of problems. The purposes of participation in ICI Fibres are as nominal as the structure. The management claims of success are founded on its real trivialisation. The two union situation, the suspicion of management by a section of workers, the divided leadership of the recognised union and the complacency of the workers since the boom years of business, contribute to the management failure to use the participation forums more effectively towards achievement of business ends.

8.5. LEVELS AND ISSUES OF PARTICIPATION

Though the levels and issues of participation may overlap to an extent, their separate discussion is required in cases such as ICI Fibres where the structures of participation do not reflect the organisational hierarchy and are mostly statutory. It is important to examine, therefore, the issues open for participation within that limited structure, as its size need not always determine the depth of issues discussed. By considering both together, one can construct a complete picture of the reality within the participation arena.

This section examines the matters of exclusive management decision in ICI Fibres, the nature and issues of prior consultation and the reasons for managerial unwillingness to discuss certain decisions. It then examines how non-consultation is justified in ICI Fibres in those case where there is demand from the workers for more

participation.

8.5.1. EXCLUSIVE MANAGEMENT DOMAIN OF DECISION-MAKING

This sub-section enumerates the various decision subjects over which the management of ICI Fibres exercises exclusive jurisdiction without any consultation. A wide range of topics were listed by managers in this category. These include strategies in areas like production, sales, industrial relation and labour; work related decisions like shift organisation, staffing, deployment of people; all technical decisions; business decisions like capital investment (e.g. the continuous process plant), diversification, collaboration, new projects; production decisions like products, production plan, production quantity, quality parameters; financial decisions like budgets, spending, purchases; personnel decisions like recruitment, increment, promotion, merit awards, transfers; other decisions like research and governmental dealings. It was generally agreed that once a decision is taken, it is widely and extensively communicated to the shopfloor. Talking of business decisions, a line manager said, "In disposing of the factory, even our views are not taken, though we all know it is very much on the cards" (rumours about Thane factory's impending sale were rife at the time of this fieldwork).

It is clear that ICI Fibres, compared to the other cases discussed in this thesis, has more kinds of issues that are exclusive preserves of the management. The absence of participation at the strategic level is attributable to the centralisation of decision-making within ICI. Moreover, many of these areas, in reality, are dictated by the parent company (see 8.2.). In a more paternalistic interpretation of the situation, the Vice President of the division commented.

"In small groups like the quality circles, the individuals don't feel threatened. Sitting around a table in an essentially

managerial environment, a blue-collar worker is terribly unsure of himself in the trappings of power and authority. On his familiar patch, around his own equipment, he is in his own elements. Even in a negotiation, the negotiating team is uncomfortable if they are not in full strength".

This observation may be true in case of workers, in general, in view of the wide status gap between managers and the ordinary workers in India. However, it would be inappropriate to say the same about the leadership of the trade unions. Another senior executive said, "If there was one ICI India union with recognition at all units, its leadership could have a say in strategic decisions". However, the existence of the ICI employees' federations is conveniently left out of any such reasoning. A third manager reasoned, "The small nature of the organisation makes it amenable to free frequent communication and hence, strong formal system is not necessary". Centralisation and parent company control make it impossible to have any strategic level participation not only at the corporate level but also at the division level.

8.5.2. MATTERS OF PRIOR CONSULTATION

Prior consultation takes the form of counselling, communication and idea generation for speedier implementation of decisions and problem-solving in ICI Fibres. A junior manager, relatively new to ICI said, "If, by prior consultation, you mean management calling the workers in ICI to come and talk and then take decision, there is no such thing". He added, "Output comes from people below and in a way it is participation". In that sense, a worker's physical presence anywhere within the factory premises amounts to participation! The General Manager clarified the nature of prior consultation,

"As long as our right to manage is not questioned, we are open to problems and suggestions. We changed the shift working, talked to them and told them to try it for some time".

The personnel manager said that the employees are consulted, before taking decisions, on any matter that, in management understanding, is likely to directly affect them. Many matters like the establishment of the continuous process plants (CP plant) and shift changes actually affected them in terms of jobs and workload but there was no evidence of consultation. Rather, some changes were made in the face of employee resistance. Many managers acknowledged that matters like staffing decisions and rationalisations had direct consequences for workers. A union leader stated that the union actively opposed the idea of CP plant, preferring rather that the company diversified. A line manager remarked, "Consultation with union, wherever it is there, is so centralised, that we don't know if it has taken place". Fear of backlash from the minority union often led to seeking discreet consent of the majority unions in some matters.

Even in matters like the canteen for which there is consultative forum, certain decisions like purchases and budget are treated as management prerogative. Management expediency determines if workers' are to be consulted before or consulted at all, on a subject. The managers were near unanimous in their view that on matters not concerning the employees directly, prior consultation is helpful and cited many examples of it.

Relating his experience with prior consultation, the technical manager said,

"The people in quality control department are usually graduates. They get motivated with consultation and come out with brilliant ideas. They are upset about the fact that they were not consulted about the CP plant. The consultation with normal workers could go both ways".

Managers found prior consultation problematic when a worker is rigid that his suggestion has to be tried out or when a manager accepts an idea but does not try it out. The latter happens when the consultation is devoid of genuine intention to seek ideas but just

to gauge the reaction of the workers. As the General Manager of the works said, "Prior consultation is helpful as long as it is not intimidating. It helps you to understand what is that they want to know".

Many strategic manoeuvres characterise the process of prior consultation in ICI Fibres. The personnel manager reported that the actual across-the-table negotiation and resultant formal agreement are often preceded by elaborate back-room consultations meant to create credibility with the union leaders. Thus, informal consultation is used to temper actual negotiation. He said, "All settlements are examples of success of prior consultation. In actual negotiation, the union takes a political stance and that makes consultation difficult". Managers also reported bypassing union leaders and directly seeking the co-operation of individual workers. A senior manager said,

"9 out of 10 workers will do anything you tell them without making an issue out of it. But if you tell the leader figure the same thing, 9 out of 10 matters will run into problem. Instead of telling him, you tell one individual in A shift to do it, one in B shift to do it and it becomes a practice. You can then avoid negotiation, consultation and the attendant problems".

8.5.3. WILLINGNESS AND RESISTANCE TO PARTICIPATION

It is clear from the analysis above that consultation (pre or post decision) is purely based on management discretion. The willingness (or otherwise) of managers to allow workers a say at their own level can ameliorate or exasperate the organisational stance on participation.

Most managers in ICI considered ideas and inputs for improvement of quality and work as an area open for participation, and quality circles as the right means for this. Productivity, waste reduction, efficiency, SHE activities and discipline maintenance were

favourites for participation with individual managers within their own departments. Involvement was not a matter of right for employees but based on a managerial acceptance that "they could contribute in these areas as they have lived in the plants". As a middle level manager said, "It is better that they identify problems, than we tell them to do this or that".

Different managers identified a number of areas in which they did not want the employees to have any say. All matters having cost implications such as overtime work or promotion were generally treated as matters of managerial prerogative. Recruitment policy, staffing, budgeting, disciplinary measures, running of lines and plants, merit awards too were included in the above category on similar grounds. A manager put it, "It will be nice to have their suggestion. But how to spend our money, what hardware to buy, who to give the contracts to are purely our business". However, even managerial decisions in many of these areas at the factory are severely constrained by central directives and requirements. Some managers attributed their unwillingness to allow employee involvement in many areas to the two union situation with both enjoying unknown and unstable support of workers.

8.5.4. JUSTIFICATIONS FOR NON-CONSULTATION

Considering that the workers too have countervailing power, non-consultation is likely to be challenged. Discussed below is how non-consultation is justified in ICI Fibres in spite of availability of some rudimentary participative forums.

The wide-spread non-consultation in ICI Fibres is generally justified in terms of company interest and the policies designed to protect these, invariably garnished with liberal doses of paternalism. It was noticed that company policy as a justification

is used more by the junior managers than the senior managers who usually talk in terms of company interest. The use of company policy as a justification at lower levels in the organisation indicates the powerlessness at that level caused by the centralisation within ICI. A junior manager said, "We justified the decision about having an all-weather shoe instead of two pairs of shoes on the grounds that it was the company policy and that was good for them".

Matters of productivity increase and changes in work practices are often imposed on managers at the factory leaving little scope for consultation. In such situations, managers down the line implore and persuade workers to go along as they themselves cannot do much about it. Giving an example, a middle level manager said,

"One is supposed to apply for privilege leave 15 days in advance. If tomorrow a person applies for privilege leave and wants to go the next day, I will let him go if it does not affect my department work. But the GM wants that all leave rules be enforced strictly and any deviation in exceptional circumstances be referred to him. I told the workers, look, this is the "hukum" (meaning directive) and it is in both our

interest to play the game by the rules".

Even if the managers disagreed with top management directive, they indicated that they carried it out as a matter of "managerial discipline". The class loyalty further limits the scope for participation. Speaking of the superior company interest, a senior manager said, "One must work for organisational health and growth with ideas, effort and sacrifice. What the management does is for the good of the organisation and what is good for the company has always been a prerogative of the management to decide".

Certain matters like merit awards, long service awards and retirement gifts have always been centrally determined. Since these were instituted unilaterally by the management and are supposed to benefit the workers, the management has never consulted the employees about these. Now, the non-consultation on these matters has been an issue and the subject is sub judice.

It was interesting to find that unlike the other cases studied in this thesis, there was very little reference to superior managerial expertise as a reason for non-consultation. The wrong timing of the CP plant (it was put into place at a time of high capacity of fibre production in the market) and its disastrous consequences for profitability have restricted the management from claiming superior expertise, at least for the time being. A senior manager remarked,

"When I was part of the 600 million rupees expansion, I thought it was wrong. But then we had to go through it. Even today, the workers point out our blunder and say that they were not consulted. But a company like ours has to have a long term orientation. Once the oversupply situation goes, it will be good for us".

The managerial failure, thus, has substantially reduced managerial claims of legitimacy for its superior expertise and that is reflected in the legitimization process in the participation arena.

8.5.5. DEMANDS FOR PARTICIPATION

How managers react to demands for more participation can help in understanding overall managerial action in the participation arena. This kind of analysis is relevant where the formal structures are limited.

There has been no specific demand for more participation in the recent past. As the personnel manager said,

"There has been no demand because in the recent past, our survival has been at stake and it is a war-like situation for Fibres. People understand that one does not ask too many questions and does as one is told. The situation will continue like this for sometime".

Some of the employee representatives and some senior supervisors reported that the medical committee and the revival of canteen committee, to an extent, were results of workers' demand. (The canteen committee was non-functional for a long period because the employees wanted more say in the running of the canteen and the management saw the committee as advisory only.) The employee demand for more participation has generally been lukewarm due to both the

internal union situation and the situation of the business. The former has kept the recognised union's attention on wage negotiations as the primary means of retaining its supremacy. The fluctuating business situation has also changed the priority of the union from time to time. Moreover, ICI being a multi-business organisation, the balance of power within it has always been in favour of the management.

The latent desire for participation in the employees of ICI Fibres has been reflected in the relative success of the quality circles which have enjoyed the support of the main union. The union too finds that workers' pre-occupation with the quality circles eases pressures on it for securing other areas of participation. The management policy in this regard has also been reticent. A senior manager said, "I don't think management has ever encouraged anything beyond what is there. If it is not said in so many words, the spirit of the response is, it is our job". It is only with the business downturn that the MD and the Vice President have come to the factory to address the workers directly in an unprecedented information-sharing session. Over the years, as the personnel manager said, "the tradition of decision-making as a management prerogative has remained unchanged. But worker involvement with routine decisions has begun in last decade and that itself is a big change for ICI".

Most of the managers felt that worker participation at strategic level- such as representation on the board of directors- is a distant dream in ICI. The lack of management awareness of higher level participation is considered a big hindrance. Other reasons extended were the inability of workers to absorb large volume of business information, their lack of general education and the discomfort of both the parties in positions of apparent equality.

CONCLUSIONS

The analysis in the foregoing section suggests the following conclusions. The ICI Fibres management retains a number of issues within its exclusive domain for decision-making. This is both a feature and a reinforcing element of its centralisation strategy. Both parental control and centralisation prevent employee participation in strategic decisions which is signified by the absence of higher level forums. Prior consultation is targeted towards softer issues and mostly involves communication. Wherever there is actual prior consultation, it is aimed at maximising management achievement of objectives. Managerial willingness to consult is affected at lower levels by the lack of control over many decisions. The justifications advanced for non-consultation are shaped by the centralisation and appeals to unitarism. Such justification has been facilitated by low demands for participation caused by bad business situation and union rivalry.

8.6. POWER AND PARTICIPATION

This section directly discusses the issues of power within ICI's participation process and shows how the participation process is designed and used to preserve and increase managerial power and control. In analysing this issue, the section looks at position control in various participative forums in ICI Fibres, the ideas for changing the participation system and the use of informal means of consultation.

The managers interviewed were divided in their view about the power-participation relationship. Most of them understood power in terms of position power which authorises them to take certain actions. This position power gives them a sense of control over employees as they can send them to training programmes, recommend for increment

and such other value allocation, which, they can withhold as well. Decision-making about various matters and the responsibility and the accountability for such decisions enhance this sense of power. A middle level manager commented,

"If participation is confined to work related shopfloor aspects, there is no erosion of power and control. But participation in business decisions will mean erosion of managerial power. I would think that shopfloor level managers would be more willing to share decision-making than corporate managers".

In any case, the willingness of factory managers was irrelevant in case of ICI Fibres for they do not make many significant decisions. It was noticed that the notion that participation affects managerial power emanated mostly from the senior managers (and they were the instruments of centralisation). The GM of the factory said,

"Participation means we will have to relinquish power but it is necessary if participation is to succeed. The problem with participation is that managers fail to come to terms with such curtailment".

Many managers said that even though they want to believe that participation does not affect power, in practice, they fail to adjust to the reality of participation. A number of managers said that freedom to do things as they wish signified managerial power and participation restricts that freedom. The shopfloor participation has been confined to quality circles and it is inherent in the concept of quality circles that the ideas generated by it are subject to management approval before implementation. Naturally, the shopfloor managers in ICI fibres do not see this type of participation as a restriction on them.

The demands for participation being limited, managerial power in ICI Fibres has not been very seriously threatened. That explains some of the liberal understanding of power-participation relationship in ICI Fibres. However, there is evidence that generous wage settlements in the past (which made it one of the most lucrative employers on

Thane-Belapur belt) kept trouble at bay for many years. However, first-line managers, the worst sufferers in centralisation, attempted to form a supervisory union in ICI Fibres which the management strongly discouraged through persuasion and pressure on individual supervisors.

8.6.1. POSITION CONTROL WITHIN FORUMS

The participation forums, however innocuous they may appear, can have impact on managerial freedom unless control within these forums is retained with the management. How such control is attained in participative forums of ICI Fibres is discussed below.

ICI management has retained control over all the forums through its representatives who chair all such forums at Thane factory. Managers interviewed had no clear idea as to how this system came into existence and why it continues to exist. Some brushed aside the subject as insignificant and attributed it to simply convention, whereas others saw it as a part of company policy and still others saw it arising out of the inability of the workers to occupy such a role. However, many indirectly admitted a managerial apprehension based on conflict of interest with the workers and particularly with the union. A junior manager said,

"Managers are interested in the output of the company but the workers are interested in their interests first. If workers head committees, they would follow their interest first. If the workers are ready to work with open mind, for the benefit of the company without interference from outside agencies like the unions, they can head these forums".

The advisory nature of these committees too was put forward as a reason for having a management chairman. As a manager said, "It is for the management to evaluate and implement the suggestions. It is therefore, right that the manager heads it as he can give the appropriate response to various issues". One example of such response is ruling subjects as out of the scope of a particular

committee, when inconvenient for the management. However, the GM gave a differing view of managerial control within these forums and said,

"In our country we have not come to the stage of understanding that a chairman merely conducts the proceedings of a meeting and does not decide things. Most people see chairman as a power figure. The chairman is seen as a boss and often people say that let us leave the matter to the chairman".

Some of the paternalistic interpretations envisaged workers in uncomfortable position as head of such committees due to their supposedly limited ability to "conduct meetings, express themselves, understand technical and business matters", as a manager put it.

Most of the managers were cautiously willing to experiment with worker chairmen in such forums provided a worker who, in their view, is "balanced and mature" is selected for the job. While being themselves willing, they expressed doubts about the enthusiasm of their colleagues for such a proposal. A senior manager said, "Most managers would resist it for they think we bend too much backward for people who have no responsibility and who do not support the company during crises". Most of the managers wanted worker chairmen only in functional forums like the safety committee but not on bodies like works committee that discusses site level issues.

8.6.2. USE OF INFORMAL MEANS

One has noticed in earlier cases the extensive use of informal means of consultation despite having extensive participation network. It is worth examining here the usage of such means within the limited participation structure of ICI Fibres India.

Managers at ICI preferred and used informal consultation to solve matters of local interest and departmental problems. They try, as far as possible, to keep such matters out of the formal consultative forums. The general explanation for such action was that the

workers, on their own, are more amenable to the manager's viewpoint. In contrast, it was alleged, that managers' views are usually ignored or scoffed at by the union which has a strong presence in the participative forums. Informal consultation of this kind has a paternalistic foundation. A middle manager said, "Departmental consultation is more effective because there is open discussion, people don't take a stand and it is like a family affair". Giving an example of it, a senior manager said, "Once I introduced a kind of a crude incentive scheme through informal discussion with my workers and 85% accepted it. On another matter, I went to the union, it took two years and nothing came out of it". The informal talks are also used as an early-warning system. A senior engineering manager said, "Direct contact gives me a feedback as to how things are going to go. In that case, I manage to revise my proposal before it goes to the formal forum".

A key manager at the factory reported that opinion makers outside the formal forums are always gently persuaded to accept management constructions, before a particular contentious issue comes to the formal forum. In this sense, the informal consultation, according to many managers, was a supplement for formal discussions. However, it may be argued that the informal consultation acted to trivialise the work of the formal forum rather than supplement it. A dispute in a formal forum increases the chances of governmental interventions prescribed under law. So informal talks allow management to fall back on the legal machinery at a time when it wants to and increases management control over the situation.

A legally recognised union and the complete unionisation of the participation structure in ICI Fibres blur the dividing line between consultation and negotiation. This being the case, the management finds it more meaningful to deal with actual centres of power within the union than waste time within works committee. Since only second

or third line of leadership represent the union on the participation forums, management's informal talk with union office bearers potentially trivialises and marginalises the participation forums. There have been occasions when the management, in response to some statement in works committee, have said that they would like to discuss the issue with the union. Thus, it is not union power per se but the nature of union involvement in the participation structure and the management dealing with the union which contribute to the trivialisation process. The union leaders too use the forums to let their standpoint on an issue be indirectly known to the management.

8.6.3. PROPOSALS FOR CHANGE

The participation system in ICI Fibres has hardly changed over the years. The only exception is the departmental committees, initiated in mid-70s due to government initiative (see *Chapter 4*) which disappeared with change in the political complexion of the government. However, even with a minimalist structure, a study of managerial proposals for change can be a lead in understanding managerial action in the participation arena.

The proposals for change in ICI Fibres were relatively vague, muted and limited for participation has never been a serious issue in it. Some union leaders said that with a relaxation of legislative provisions, the management may do away with most of the participative forums with the exception of the quality circles. Most of the managers were in favour of retaining the present structure and against any further extension of it either at the corporate level or the shopfloor level. Many wanted lesser involvement of recognised union in the participation forums and wanted it preferably non-unionised. Since legislative support is perceived as a power-base of the union, the suggestion is understandable. Some of the senior managers evinced interest in creation of more shopfloor

level forums to reduce the influence of the works committee but the first line managers were against it.

CONCLUSIONS

The following conclusions emerge out of the discussion in the previous section. Though managers in ICI Fibres referred to their position power in relation to participation, participation's impact on managerial power is not a major issue because participation is non-threatening. Despite that, a natural apprehension and resistance to the union prompts the management to retain control over key positions in the forums of participation. This was also reflected in the proposals for changes to the system. Extensive use of informal consultation is aimed at protecting managerial freedom of action which, in more than one way, trivialises and marginalises the formal forums.

8.7. INDIVIDUAL MANAGERS AND PARTICIPATION

Participation structures and policies of the top management do not, by themselves, make the working environment in an organisation participative. While these may be pre-conditions for it, the actual participation depends on the manager-worker interaction at individual and collective level. Thus, it is important to discuss individual attitudes and behaviour in participation. That is the concern of this section.

Managers of ICI Fibres generally found the participation system helpful for achieving results, since these systems are basically used for communicating and explaining managerial decisions. The quality circles and informal consultations were considered the most effective means of supporting managers. There was the usual concern about too much negotiation and demand in the factory level forums

but they were mostly accepted as inevitable.

It was widely believed that managers individually could contribute to the success or failure of the participation system through their attitudes. The general manager of the factory saw the biggest obstacle to participation in ICI Fibre in what he called "an obdurate middle management". The status gap within ICI historically was seen as wide and a handicap for effective employee involvement. The production manager said, "Managerial attitude to participation is a product of their experience. Most managers in ICI see their juniors as obstructions, hence, the reluctance to be too participative".

Many managers felt that managers' style and attitude was difficult to change. A number of managers- particularly the junior ones- saw the top-down approach of ICI a severe limitation for participation. A junior manager said, " If my bosses involve me, I will be too happy to involve my subordinates". Another senior manager said,

"If I am enthused by participation and go whole hog for it, nothing will come out of it if I don't get support from the top. That has been our experience with the quality circles".

The General Manager said that the managers could be coerced to an extent to be participative by making such a style a requirement for career progression.

No direct effort in ICI to change managerial style was reported, though many managers saw an indirect pressure through the appraisal system which evaluates the strength of managers in inter-personal relations. But the limitations of this approach was noted by the General Manager who remarked, "If you deliver the goods, then you have a leverage in setting your own norms and style". Training and developmental programmes too were taken as means of changing managerial style though no significant training activity is found within ICI Fibres excepting for the extensive quality circle

training undertaken in the mid-80s. One manager candidly said, "I have been told to change my style, be more participative, at least for now". Thus, participation, for many managers is a temporary measure to gain worker co-operation at the time of economic difficulty that ICI Fibres is currently experiencing. Some managers felt that more involvement with larger number of forums like task forces and project teams could have a participative influence on managers.

Though there is a general reluctance to talk about management expertise in view of some errors of judgement as regards the CP plant, some of them still feel that workers accept managerial superiority in decision-making due to the broader picture of the reality that managers have. Giving an example, a senior engineering manager said,

"I asked my workers to say how they felt after I put two sodium vapour lamps next to three old boilers where the lighting was bad. They replied that it was a waste as the boilers were likely to go. I told them that the boilers were there to stay. It happened five years back and the boilers are there even today. This kind of thing convinces them that we have more information".

8.8. INFORMATION DISCLOSURE IN ICI INDIA

Managerial claim to exclusive decision-making as discussed in the previous sections is partly based on the managerial access to privileged information. This section discusses the kind and nature of information disclosure in ICI Fibres and its repercussions on the participation process. The section discusses what information is shared, what is not shared and the channels of information sharing, in that order.

The information that is most readily shared in ICI Fibres is on safety matters- an important area on the parent company's agenda. The other information shared with enthusiasm is business related

e.g. the company's performance, the market complaints and business changes which are meant to drive the message about need for better discipline and greater co-operation. Explaining this, a middle manager said, "Once they are convinced that you are not doing well there will be no demands like bonus or anything". Thus, sharing of information is designed to get behaviour responses that limit demands in participation forums and ensure harmony with managerial ends. The industrial relations manager said, "In our present condition, there are lot of cost cutting exercises. So the time to time developments on the business front are shared with the workers".

Communication meetings on all manufacturing sites were started by the MD in 1991 in response to bad business situation. The Vice President of Fibres too started similar meetings on Thane site. These have generated information packages that are given to all managers to disseminate and these contain information on costs, sales, profit and loss, the proposed action plans and the co-operation expected out of the workers. In this sense, dissemination of information is centralised, co-ordinated and strategically planned. Commenting on the amount of information being shared, the General Manager said, "The way ICI is managed today is light years away from what it was 10 years ago".

Thus, the new found enthusiasm for communication and information sharing is not out of a respect for workers' need for or right to information, but to justify various managerial decisions that mostly have negative consequences for the workers (e.g. freeze on overtime, job losses, increase of workload, withdrawal and rationalisation of facilities, stricter enforcement of rules and discipline). It is also meant to ensure their willing compliance (which the management interprets as enlightened and informed compliance).

Many managers said that they share information about waste, cost, energy consumption "that helps the workers to do their jobs better", which actually meant doing more and taking on more burden to improve productivity. The bulk of the shared information is meant to prepare the workers for the final eventualities. Many managers agreed that much of the information given currently to the workforce was never given before. Talking about it, the personnel manager observed,

"We have gone much beyond what the law prescribes. In works committee we talk even about costs, profits, business and what we expect from workers. I don't know if what we are doing is unique, but it is much more than we should do or others do".

A union leader said that employees indeed want to know much of the information being shared due to anxiety in times of crisis but much of it is just dumped upon them without discussion. The General Manager's response to it was, "Communication is very man-intensive as the degree of time and labour required for it is tremendous. Unless the situation is desperate, we don't think of investing so much into it".

8.8.1. INFORMATION THAT IS NOT SHARED

In spite of the developments discussed above, there is still much information that is not shared in ICI Fibres. Information, thus, is used as a power resource. Sometimes its disclosure increases managerial control, other times its withholding proves crucial for control. So information in itself can be said to be power-neutral, its use and the circumstances create the potential power in it.

Information that is usually not shared includes many decisions about strategy, pricing of the product, managerial remuneration and its components, budgeted profits for the year and the medium term, target clientele for voluntary retirement scheme and even the costing process in the canteen. Interestingly, a senior manager reported that budgeted profits are not shared but an approximate indication about budgeted loss is disclosed to the employees (the

strategic implication being it draws workers' attention to need for better performance). Much of the information about the parent company is kept from workers as a matter of company policy. Information on subjects of divestment and pricing are kept on grounds of their commercial sensitivity and for reasons of competitiveness. Since ICI does not have a tradition of information sharing in India, the current strategy of sharing information causes confusion amongst managers. Raw material costs, exact margin of profit on products were some such areas of confusion over what is or should be shared.

8.8.2. CHANNELS AND MODES OF INFORMATION SHARING

The channels and modes of information sharing can vary the impact of the information on the targeted audience. So the choices made in this respect are significant. In more prosperous days, information disclosure took place solely through the participative forums since that helped consolidate the position of the recognised union. However, as the current business situation requires the co-operation of all the workers, and not merely those belonging to the majority union, one observes a shift from the old mode to more direct form of information sharing through managers including top executives.

The latter help to improve the legitimacy and credibility of the information being shared. Currently, the formal participation forums just reinforce the message with a section of the workforce. Since much of the information shared now has negative consequences for the workers, the union leaders prefer that the management talks direct to the workers about it, and has encouraged them to do so e.g. the abolition of the system of interim relief granted during the negotiations for final wage settlement.

Often consultation with union is based on partial information. For

example, when the consultation about procurement of all-weather shoes was on, it was not disclosed that the management planned to replace both safety shoe and rain shoe with only one pair of all-weather shoe. It came at the end of such consultation when all other details were finalised. Thus, the timing of information disclosure is chosen to increase its strategic advantage for the management. This happens particularly about closures and modernisation plans.

Rumours are an integral part of this process. During the researcher's fieldwork, there was a strong speculation in the media and within ICI Fibres that the Thane factory was being taken over by an Indian industrialist. Most managers on the shopfloor were neither able to deny or confirm. They themselves were in a state of confusion and anxiety. All top management had to say is that if there was ever anything of the kind the employees would be the first to know. A representative of the union said, "These rumours enable the management to play both ways".

Thus, what is disclosed, what is not disclosed, the way these are disclosed, are all designed to increase managerial control in the participation arena. Summarising the nature of participation in ICI Fibres India, a senior manager said,

"Overall the idea seems to stem from the desire to make management job easier. It is a selfish interest. There is no genuine desire to give participation".

CONCLUSIONS

The following conclusions are deducible from the discussion in sections 8.7. and 8.8. Participation was widely held to be contributing to managerial effectiveness in ICI Fibres- particularly the quality circles and informal consultations. Individual managers' attitude was considered crucial in shaping the working of various forums. Top-down approach of ICI Fibres was partly held responsible for managerial ineptitude in participation. ICI Fibres' management

has tried training as a way of influencing managerial behaviour and attitude but its use has been crisis-oriented and limited in impact. Information as a potentially powerful resource is centrally directed and co-ordinated in ICI. Information disclosure has substantially improved during the business slump and is channeled more through management loops than through the union. Much of such information being shared is about business and with the business objectives in mind. Tactical use of information reinforces management position and improves its control.

OVERALL SUMMARY REMARKS

This chapter has discussed managerial action in the participation arena of ICI Fibres India based on the data collected through interviews with its various actors, study of company documents and non-participant observation of participative forums. The analysis has taken into account the historical context of the organisation and other environmental factors.

The major findings of the study are as follows. ICI Fibres, though started as an independent business of ICI in India, was later brought under a common ICI structure. This reinforced the centralising forces acting on it. Its parent company has strong controls over key areas of its activity and the ICI Fibres is directly dependent on the parent company for resources and technology. Personnel and employee relations matters are no exception. However, the parent company has taken no initiative to create participation structures at the divisional or corporate level in India. The top management of ICI in India act more as agents of the parent company in securing its interests and enforcing its directives than as the centre of its Indian businesses.

The participation structure in ICI India is the legally prescribed

minimum. Participation has not been a big issue in it partly because of the relative weakness of labour stemming from inter-union rivalry, the decline in business and the predominance of negotiation. With the limited structures that do exist, the managers are resistant to union association in the consultative process and use various means to retain their control over it or to bypass it. The consultation process is used to reinforce business objectives and strategies and to elicit support for them. Information has been a key resource of the management in their attempt to retain their freedom of action. The union resistance to management having been mild (which has enabled management to mostly have its way), one finds less frequent and temperate use of managerial ideologies of unity of interest and right to manage.

CHAPTER 9 COMPARATIVE DISCUSSION OF THE CASE STUDIES

INTRODUCTION

This penultimate chapter brings together the findings of the cases analysed previously and compares these in five sets of pairs. An attempt has been made to identify observable patterns and diversities, and their explanations have been explored. The chapter begins with a discussion of similarities and differences between management action in the participation arena of Cadbury U.K. and Cadbury India. It then goes on to discuss the same about ICI U.K. and ICI India. Later, it turns to comparisons between the ICI U.K. and Cadbury U.K. and between ICI India and Cadbury India. The chapter ends with an overall comparison and contrast of participation in India and the U.K. Explanatory arguments are built into each phase of comparison for ease of reading and analytical consistency. Some of the theoretical points raised in *Chapter 2*, have been revisited in the light of the case study findings. Repetition and reproduction of facts already discussed has been avoided through cross-references.

9.1. CADBURY U.K. AND CADBURY INDIA: SIMILARITIES AND DIFFERENCES

This section looks at managerial action in the participation arena of Cadbury U.K. and Cadbury India in a comparative perspective. The context of participation is also compared. The similarities and differences of managerial action in the participation arena of the parent and subsidiary companies are grouped together under specific themes.

The section begins with a comparative discussion of the origins and

purposes of participation in both the companies, the time orientation of participation and individual managers' perceptions of participation. It then discusses the levels and issues of participation and, finally, power considerations in the participation arena in the light of actual and perceived union response.

9.1.1. ORIGIN AND PURPOSES OF PARTICIPATION

This subsection looks at the origin of participation in the two companies and the various purposes for which it is used. In that context it discusses how managers in both countries evaluate participation's successes and failures.

In Bournville, early participation had its roots in a strong family-based paternalism, which also manifested itself in the provision of welfare facilities. In a way, the welfare facilities provided the only issues and opportunity for participation and, thereby, helped to keep key business issues out of bounds for participation. Participation drew its sustenance from the welfare measures and the paternalistic management philosophy, while paternalism and welfare operated through participation. Paternalism was the basis of unitarism and unitarism facilitated the consensual non-union based participation. Participation forums started in Bournville as pure management bodies and were later considered a benefit to the employees like any other facility (see 5.2.). This background has helped paternalistic constructions in participation in Cadbury U.K. to continue to a degree even today.

This intricate relationship between paternalism-unitarism-welfare and participation was not available to the management of Cadbury India. Why this was the case has been largely discussed in 6.1.1. The result has been a more self-effacing participation structure in

Cadbury India where, in contrast to Bournville, one finds no mission statements or publicity literature about participation.

Legislation in India is the basis of both welfare and participation, and participation mostly revolves around welfare measures. Thus, unitarist images are difficult to uphold in Cadbury India, since both welfare and participation imply some degree of rights for employees and the unions. Any conflicts swiftly take on legal dimensions and highlight sharp differences. Such situations have greater potential for affecting managerial freedom and objectives in India than in Cadbury U.K.

The absence of the Cadbury family's direct involvement in the Indian subsidiary is manifested in managers there not attributing participation in any way to Quakerism. This tempers the burden and urge of managers to eulogise participation in Cadbury India, in contrast to the situation in Cadbury U.K. In the subsidiary, general dissatisfaction with industrial relation is undoubtedly a factor shaping this disposition. The limited agenda of participation in Cadbury India was rooted in managerial perception of its growth in relation to the lockout of the late seventies (see 6.4.1.). However, this agenda has gradually broadened to accommodate (in the face of) wider business compulsions.

In contrast to Cadbury U.K., where organisational articulation of participation's purposes has been specific though its interpretations have varied, in Cadbury India, there is no such articulation. The long-term involvement of Cadbury family members with the company in the U.K. explains this difference (see 5.5.1.) also. There was a historical burden on them to carry on the participative tradition even after Cadbury's merger with Schweppes. Individuals like Sir Adrian and Dominic Cadbury have been the mainstay of this continuity. The purposes and structures have

changed, but the articulation and the emphasis on them have continued.

In Cadbury India, the circumstantial emergence and the limited original agenda of participation has prevented any organisational articulation about its purposes. As a result, managerial perceptions about organisational purposes of participation in Cadbury India are unclear, mirroring the disparate purposes for which individual managers use it. The wider emphasis on the prosperity purposes of participation in Cadbury U.K. is attributable to the high capital investment that Bournville has experienced from time to time and the wide network of task-level forums available there to realise these purposes. The relative absence of emphasis on prosperity purposes in Cadbury India, despite new projects, is attributable to relatively less competitive pressures on it.

The absence of paternalistic constructions in participation in Cadbury India is also marked by the weaker emphasis on unitary perspectives and on what has been referred to (in this thesis) as "unification purposes" (see 5.5.1.). The unitarism expressed by managers in India was more based on its support for their control over organisational processes than on any fundamental paternalistic outlook.

Similar distinction is noticeable in the criteria for evaluating participation, with Cadbury U.K. exhibiting a more unitarist bias. However, the recounting of successes of participation in both Cadbury U.K. and Cadbury India further reveal its instrumental orientation. Instrumental use of participation was often coupled with unitary criteria for evaluation. Even the use of participation in certain areas for specific purposes (and its non-use in others) had to be legitimised, and the unitary framework was best suited to justify non-use of participation, particularly in competitive

product market conditions. Even though an overall emphasis on unitarism was less widespread in Cadbury India, its use in specific cases as a rationalisation was not infrequent.

It was also found that in both Cadbury U.K. and India, the state of industrial relations shaped the evaluation of participation e.g. reservations about participation in the Assortments factory in Bournville and in the Thane factory. Often the occurrence of industrial conflict leads to dissatisfaction with participation (see 5.5.3. & 6.4.3.). Non-achievement of business objectives at a pace desired by management was blamed on the union involvement in the participation forums. Thus, in a way, the question of managerial control and power was intricately related to the various business objectives, strategies and policies (refer 2.3.3.).

Claims regarding successes of participation were many from both the managements. Most of these successes were based on a real trivialisation of participation forums. In such cases, the ground work for employee agreement to managerial proposals had been laid outside the participation forums, through informal persuasion highlighting threats or benefits (see 5.7.2. & 5.6.3. and 6.6.2.). Such informal consultation was said to increase management control by containing overt conflict. Occasional change of committee status i.e. consultative forums being used for negotiation, takes place not because of union power or recognition but because the management wants to use such forums for negotiation for its own advantages. However, the wider spread of participation forums in Cadbury U.K. creates a situation where one finds pockets of trivialisation, managerial success and change of committee status simultaneously. The so- called decentralisation facilitates this. But in Cadbury India, being much smaller and relatively more centralised, instability or trivialisation in one area is reflected elsewhere. The difference in nature of unionisation, too, is a factor

contributing to this chain reaction within the participation arena in Cadbury India.

9.1.2. TIME ORIENTATION OF PARTICIPATION

Time specific use of participation was observed in both countries, but with both similarities and differences. Looking at the context of participation, one notices some striking similarities in the commercial and business decisions of Cadbury U.K. and Cadbury India. Both have followed strategies of backward integration, expansion, capitalisation and diversification at different times (see 5.1. & 6.1.2.). Though these strategies have been responses to broadly similar pressures, Cadbury India, until recently, has always been in a less competitive environment than its parent company. Many of these strategies have been a part of managerial endeavour to retain or regain control over the achievement of business objectives which, at times, have been under stress from certain internal conditions. One such internal trigger has been the developing role of the unions, as evidenced by the overriding power of some union leaders in Bournville in the 70s, or the emergence of ACW in Thane. Nevertheless, the elaborate parental control over the subsidiary in terms of regular contact, representation on the Indian Board, approval of plans and budgets and detailed reporting requirements (see 6.2.2.) mean that the strategic similarities are primarily a product of the parent company's global responses to similar pressures.

In Cadbury U.K., such time specific use of participation was more in relation to internal plans for change generated to meet competitive pressures. Though not in themselves necessitating changes in the participation arena, they did give management a convenient rationale for effecting such changes. However, in India, participation was stimulated more by politico-legal initiatives. As a result, the

participation arena in Cadbury India has experienced fewer upheavals of the kind seen by Bournville, partly because legislation lent an element of stability and continuity, and partly because competitive pressures on Cadbury India have been less demanding (until recently). However, the imprecise nature of legislation has given management freedom of action within participation forums. As a result, trivialisation, change of committee status and instability have been more outcomes of deliberate managerial action than results of alterations in the power balance between the management and the employees.

The greater use of participation forums or, at least, the feigned enthusiasm for participation, is more prominent when the management is under pressure of some kind or desperately needs to achieve some of its objectives. Examples in Cadbury India are the entry of the external union and competitive pressures from Nestle, and, in Cadbury U.K., the various management-sponsored long-range plans.

In this sense, at micro-level, Ramsay's cycles analysis (1977) is applicable and supported. But whether such time specific use of participation, or their simultaneous occurrence in different countries (e.g. introduction of small group activities in both Cadbury U.K. and India in the early 80s) suggest an international cycle (Ramsay, 1983b) is another question. More about this will be said in 9.5.1. It can be said of these waves of interest in participation, that each wave does not contain any substantial alteration to the nature of participation in terms of workers' ability to influence decisions. Its orientation continues to be consensual and geared towards achieving support for business objectives and retaining management control. The renewed interest only helps workers feel temporarily more powerful and eases the pressure on union leadership to take a more belligerent stance.

9.1.3. INDIVIDUAL MANAGERS AND PARTICIPATION

The top management of Cadbury in both the countries talked of participation as a value-based progressive idea. This can be attributed to top management's consciousness about its role in creating a certain public image for the company. At the subsidiary level, this process is partly determined by the interaction of its key actors with the parent company. Similarly, participation as a means of sharing decision-making was confined to the vocabulary of the top management. However, the pressures on managers down the line to achieve targets leads to "tell and sell" predominating in both the companies.

At the level of individual manager's understanding and practice of participation, there are striking parallels between both companies. In both, managers predominantly refer to consultation about implementation of managerial decisions, plans and ideas, when they talk of participation. This consultation is aimed at seeking ideas, enlisting co-operation, solving problems, allowing a mechanism for catharsis, building a unitary vision about company objectives and enhancing the legitimacy of management decisions so as to speed up their implementation with least resistance. Also, matters of prior consultation are not fixed and determined. Expediency guided the choice of subjects for such consultation, leading to confusion among managers about what exactly has been or is consulted upon (see 5.6.1. & 6.5.1.). This gave the management a degree of flexibility.

Since there is no parental imposition of participation system and values, this similarity in understanding of participation between the two countries is attributable to similar expectations from it (refer 2.2.). The articulation of expectation, however, is indirectly co-ordinated by the parent management through the imposition of various objectives and parameters, and by co-

ordinating policies in functional areas like quality and hygiene. Similar reasoning can explain the similarity in criteria for evaluating the success of participation. In both countries these are mostly presented in terms of business objectives or management control considerations (see 5.5.3. & 6.4.3.).

9.1.4. LEVELS AND ISSUES OF PARTICIPATION

It was noted in *Chapter 6* that unlike Cadbury U.K., in Cadbury India there is no company level participation structure or any other regular strategic level consultation. Some managerial justifications of it have been discussed in 6.5. This is a fundamental difference between the two companies and needs some explanation.

Historically, the directors have been involved in the participation structure of Cadbury from the days of its family ownership. Such involvement was a part of the paternalistic outlook but it automatically conveyed the impression of being a "strategic level" participation (Minett, 1992:10). So one reason of its continuation has been historical. Moreover, participation at this level was reinforced when Lord Watkinson invited some trade union leaders to discuss financial results with him and the Board, and later the system was formalised. Some of its driving forces and ramifications have been discussed in 5.3.1. However, in Cadbury India, the involvement of Cadbury family members was remote, participation came at a time when paternalism was under pressure in the U.K., and management action on participation since its formative days has followed legislation.

The lack of company level participation in Cadbury India has also something to do with the nature of parent-subsidiary relationship. Since the management of Cadbury India does not have control over many key and strategic decisions, it is pointless having a forum for

discussing such decisions. If communication of information is the only purpose of participation, then it is achieved in legally prescribed unit level forums. Further, any forum at the company level, in the absence of opportunity to discuss significant business decisions, will be forced to discuss issues already being dealt at the unit level. This will trivialise both company level and unit level forums, and may bring the former in conflict with the latter raising legal complications.

Any opportunity to interact at the Directors level would obviously bring union leaders to such a forum. Considering the length of trouble the Thane management has gone through to keep the external union leader at bay, such a situation would be unacceptable. It would weaken management attempt to structure such forums on a more consensual basis and might increase the union strength and its accessibility to information. The problems arising out of unions' access to the directors in Bournville, has been noted by Smith, Child and Rowlinson (1990). Lessons of history and experience could not have been ignored in India, at least in the initial days when managers from the parent company were setting up the systems in Cadbury India. Moreover, the works committee at the Thane factory has already seen the strategy of excluding the key decision-maker, the General Manager (see 6.6.1.).

Participation at company level in the subsidiaries would be more likely to raise questions about the parent company. Its absence reinforces the management stance on many issues that the directives have come from the parent company and have to be carried out in the interest of the business. This in some ways reduces the pressures on the subsidiary management from the union. In this context, certain strategic calculations may be read into the abolition of Group Conference in the U.K. and the delinking of the profit sharing bonus of Cadbury Limited employees in the U.K. from the Group profits (see

5.6.1.)). Both these, if they had been continued, would have had the potential of causing demands from other subsidiaries' employees across the world for the same opportunity. If Cadbury Limited employees could sit on the Group consultative forum at the Cadbury-Schweppes level or have the option of having a share of Group profits, why should the employees in Cadbury India not have the same privilege? Thus, the abolition of this forum and the linkage to Group profits in the U.K. have, in a way, pre-empted any such demand from other subsidiaries' employees, including those of Cadbury India.

At the subsidiary level, one finds that the levels of participation are justified by the management more on grounds of contextual variations e.g. legislation, nature of unionisation; whereas the issues of participation are restricted on the grounds of parental control or management policy. This is the case, for example, over investment decisions.

One important aspect of difference in managerial action between Cadbury U.K. and India has been the management initiated profit-sharing cum employee share-ownership scheme in the U.K. This is absent in India. In the U.K., such financial participation motivates voluntary co-operation of employees at the task-level, where there are many forums for tangible contribution. It stimulates ideas of productivity and encourages employees to accept managerial proposals with the hope of a share in their projected benefits. It may also be argued that it tempers the rigour of collective bargaining. However, in India, certain payments being governed by legislation and bargaining often ending with third-party intervention, management perceives no specific benefit from voluntary financial participation schemes. Rather, such schemes increase the possibility of governmental and judicial scrutiny, with constraints on management freedom.

9.1.5. POWER CONSIDERATIONS IN THE PARTICIPATION ARENA

In both the companies one finds resistance to union involvement in formal participation process, though both recognise the wider legitimacy of unions. However, union recognition in Cadbury U.K. is a tradition of its policy which was rooted in its early pragmatism (refer 5.2.). In Cadbury India, this recognition is based on legal requirement. The reluctance to accept union legitimacy (and occasional overt resistance to it) in the formal participation process has resulted in instability in the participation arena in both companies.

This resistance became so strong in Cadbury U.K. that, within 10 years of complete unionisation of the participation structure, it brought about intense instability. This gave management the opportunity to fundamentally transform the participation structure at Bournville into a weaker and more consensual form (see 5.4.). Such instability was unseen prior to unionisation of participation because of the strong paternalistic construction that was its foundation.

In India, this instability has led to occasional non-functioning of some forums e.g. the works committee and the canteen committee, but has not allowed management to replace the system with one of its own liking because of the legislative foundation of the forums and legally recognised union involvement in them. However, some of the management initiated forums e.g. the Factory committee, have fallen victim to instability. Thus, union involvement can be said to reduce the ability of participation forums to contain conflict, since the unions are perceived by management as trying to use these forums to extract benefits for their members. As a result, the participation forums become an arena for struggle. The structure of the forums and, the nature and agenda of consultation, all become issues of

conflict. This can be seen in the strikes and work stoppages in Bournville in the late seventies, or the dismantling of the Factory committee in Thane. Thus, forums constructed by the management with consensual images are not free from such conflict- an argument put forward in 2.2.1. & 2.5.

In both the organisations, management consider the utility of participation hindered by the conflictual and adversarial union stances. Such stances place restriction on managerial freedom of action which often is perceived as loss of power and control by the managers. This explains the managerial reluctance to involve unions in the participation process. Moreover, the high density of union membership provides legitimacy to its stance. In contrast, the same view coming from an individual worker in the participation forum has less legitimacy and can easily be overridden, ignored or tempered by management arguments.

One finds more pronounced managerial resistance to such union involvement in the Assortments factory in Bournville than the Moulded factory since, in the latter, the union has been more receptive to management viewpoints and, consequently, less inhibitive to its freedom of action (see 5.5.3.). But compared to Cadbury U.K., the managerial resistance to union involvement in the participation arena of Cadbury India has been more robust. This can be explained in terms of sharper conflicts between the management and the union.

Moreover, the legal basis of recognised union in Bombay creates a sense of helplessness in the management and a consequent feeling that the union is too powerful. Added to this, the head office control over the factory management in Cadbury India feeds this resistance. The relatively low support from the HO for the confrontational dispositions of factory management strengthens the

sense of powerlessness of the latter and fuels hostility towards the union (refer 6.7.).

Since the top management at HO is directly answerable to the parent company, its cautious approach to confrontation is understandable (the lockout of the 80s had led to replacement of the management team). The divisions within the managerial hierarchy in Cadbury India regarding issues of factory autonomy, attitude to union and participation, affects managerial willingness to allow participation even at local levels.

Even though the actual influence of the union over decision-making process of Cadbury in both India and the U.K. is low, the strong managerial resistance to union involvement reflects managerial perception of union relation as a power process, and managerial concern to retain power and control. This concern is further manifested in the managerial control of key positions within the forums and opposition to more strategic level participation. In both the parent and subsidiary units, management seeks to consolidate power and control through retaining key positions in the forums, using informal means and a host of other similar tactics. Shared control of key positions in forums was given up in both companies following periods of strife (refer 5.7.1. & 6.6.1.). Executive authority is used as a reason for keeping control over the key positions, except when convenient to management to do otherwise e.g. exclusion of the General Manager from works committee in Thane.

Various changes in the participation arena of the two countries have been motivated by concerns for management power and control. However, the mechanism for changing the participation machinery differ between the two countries. At Bournville, reduction of the union role in participation forums has been pursued through decentralisation, with each factory deciding its own structures (see

5.4.)). The inability of the Indian management either to decentralise decision-making in matters of industrial relations (partly because of the experience of lockout and partly due to legislative provisions) has led to management persuading the union leaders to widen the representation on these bodies (i.e. to let common members of the union to be the nominees). The history of changing union leadership in Cadbury India has helped management to persuade the union leaders in this regard. Some decentralisation attempts in Cadbury India e.g. the quality circles, failed partly due to sharp union-management conflicts.

However, most proposals for changes to participation system in Cadbury India revolved around ideas for future decentralisation. Decentralised participation pushes the involvement process more towards the shopfloor, which proves a double blessing for management. Such a structure involves more ordinary members of the union who are often more amenable to management persuasion than the key union leaders. Secondly, selling an idea at lower level creates an indirect pressure on the union leadership to accept it. Thus, many such strategies like TB and TQM are centrally co-ordinated by the management but operate at more local level, increasing direct worker-management interfaces and marginalising the union. Presentation of TQM or TB as part of management's quality or communication strategy further reduces the union role in it. Moreover, direct contact at local level with workers and informal discussions with opinion makers eases the process in the formal forums. Thus, much of the decentralisation proposal is aimed at management success through real trivialisation of formal forums (see 6.3.3.)).

An aspect of similarity in management action in pursuance of power and control in both countries is the use of common justificatory principles. These mostly revolve around workers' unpreparedness and

lack of ability to hold key positions, the managerial right to manage, executive responsibility and the weight of tradition. This occurs even though the parent management exercises little direct intervention in the employee relations area of the subsidiary, with no explicit promotion of parent company practices and values in the participation arena. So it may be said that managerial ideology operates in similar ways irrespective of contextual variations (e.g. India and the U.K.) to legitimise managerial objectives, positions and actions in the participation arena (though context may hinder or help its efficacy).

The top management of Cadbury India are somewhat exposed to and have internalised the philosophy of the parent company (the systemic ideology), and this is reflected in their relatively liberal disposition towards the union. However, lower level managers' resistance to the union in Thane, and the justificatory principles they use, reflect the failure of the systemic ideology to percolate down the line. In that sense, systemic ideology has lost its battle with managerial ideology in both Cadbury U.K. and Cadbury India, at least at lower levels of the organisation. The weakening of systemic ideology of participation in the parent company over the years (because of the experiences with participation, the generational transitions and the business changes arising out of merger with Schweppes) has contributed to the pre-eminence of managerial ideology. Moreover, the voluntary orientation to participation as a systemic philosophy at the top (influenced by the parent company), translates into a compulsion down the line. Indirect pressures are brought on managers to conform to this philosophy through performance appraisals and training and they resent this. It evokes the use of more defensive and protective managerial ideology. These issues were considered in 2.4.1. and 2.5.

In both countries, the ideologies of unity of interest and right to

manage provide the legitimation for the exercise of managerial power. (Problems with the former in India have been discussed in 9.1.1.). Unity of interest is a fundamental premise in Cadbury U.K. stemming from its paternalistic tradition, but in Cadbury India it is mostly a post-facto rationalisation. Use of unitarist ideology in Cadbury India is more recent and is mostly aimed at reducing union influence over the workforce. But there is a trade off between the two ideologies in relation to circumstance. Where union response is more robust and unaccommodating, the unitary ideology gives way to the claims of managerial right to manage. However, in all cases, the ideologies find their sustenance in managerially perceived external threats to the business. The use of same ideology to support contradictory management action are not uncommon either (e.g. the chairmanship of the works committee in Cadbury India and non-application of unitary ideology to employees' views in both countries).

The overall emphasis on participation in Cadbury U.K. and the aura of the company's system in wider public perception, has, to some extent, facilitated and legitimated authoritarian exercise of the right to manage over some key issues. Such emphasis on participation and the public projection of successes like the MEP creates a feeling of importance among workers and gives them a sense of power. In contrast, the absence of such emphasis in Cadbury India has partly allowed conflict to be more explicit, leading to questions about managerial competence (the very basis of the right to manage). The employee rejection of such a fundamental managerial ideology in Thane adds to the power consciousness of managers in Cadbury India, who articulated such consciousness in its specific details.

Managerial actions in the participation arena in both the cases reveal a certain degree of sensitivity to the environmental pressures and developments (e.g. Whitley Council or the Bullock

proposals in the U.K. and shop councils in India), but under no circumstance complete capitulation to it. Managers retained some degree of self-initiative while appearing to conform to the trends of the time. The managerial concern for their own control possibly explains this similarity.

CONCLUSIONS

From the above discussion, it is clear that managerial action in the participation arena of Cadbury India and Cadbury U.K. are similar in many respects. Most of these similarities are caused by managerial concerns about their power and control, the pressures of business objectives, strategies and policies, and union responses.

The fundamental differences are found in the levels of participation, with the subsidiary marked by lack of participation at the corporate level. The subsidiary has learnt little from the parent about participation, and the parent chooses not to interfere in this area. However, this has not led to greater employee influence over decision-making process at the subsidiary level, since the parent management controls most vital decisions and, thereby, automatically restricts issues of participation. The auto-controls (i.e. the subsidiary management's belief that expansion of participation in subsidiary will not be acceptable to the parent company) has also limited any significant participation initiative at the subsidiary level.

9.2. ICI U.K. AND ICI INDIA: SIMILARITIES AND DIFFERENCES

This section reviews managerial actions in the participation arena of ICI U.K. and ICI India in a comparative perspective. The findings of the case studies have been compared to re-examine some of the theoretical positions taken in Chapter 2. It begins with a

comparison of the origin and purposes of participation in the parent and the subsidiary company. Then it turns to a discussion about the levels and issues of participation in both. Finally, power considerations in the participation arena have been compared.

9.2.1. ORIGIN AND PURPOSES OF PARTICIPATION

This sub-section compares the origin and purposes of participation in the parent and subsidiary companies. It also discusses the basis of their evaluation in both.

Participation in ICI U.K. had a voluntarist origin and in India it has followed legislation. However, the voluntarism in the U.K. aimed at conflict containment, fixing the loyalty of employees to the company and keeping undesirable union leaders out of ICI (see 7.2. & 7.2.1.). In both countries, participation has been used in a highly instrumental way. This is reflected in the broadly similar criteria used by the managers in both countries to evaluate participation. A measure of satisfaction with participation is discernible as there has been no major industrial strife in the Gloucester factory of ICI nor at Thane for a significant number of years (7.3.3. & 8.4.3.). However, relative industrial peace in the U.K. has been the consequence of a number of factors e.g. ownership changes, accommodation of union strength, new managerial initiatives in payment structures. At Thane, this peace has resulted largely from inter-union rivalry diverting attention away from management.

In both the units, even in the absence of organisationally prescribed purposes of participation, its use by individual managers gets indirectly and automatically guided and co-ordinated through the centrally imposed business objectives, strategies and policies (e.g. manuals, standards, circulars, targets). However, this co-ordination is particularly noticeable in ICI U.K. since the current

BIP is one of such distinctive strategies. The business situation and competitive conditions legitimise such centrally designed strategies. Job losses elsewhere convince employees of the urgency of the situation and facilitate the propagation of unity of interest. Of course, the ultimate sanction of right to manage based on managerial expertise is always the reference point for such propagation.

In India, however, job security has a legal sanctity and unity of interest has usually been difficult to uphold (due to rights against the management upheld by law). Moreover, the fiasco of the CP plant has seriously undermined the managerial claim to superior expertise. Thus, in comparison and contrast to the U.K., the legitimacy of the two fundamental managerial ideologies has been difficult to maintain in India.

The use of participation to enlist worker co-operation at times of managerial need was found in both. However, the way chosen to channel such co-operation differed e.g. quality circles at Thane but not at Gloucester. This raises fundamental questions about learning of international best practices (Smith and Meiksins, 1991) in a multi-national company. These are discussed later in this chapter in 9.5.1.

9.2.2. LEVELS AND ISSUES OF PARTICIPATION

The most striking of all the differences between the participation arena in ICI U.K. and ICI India is the sheer network of forums existing in the former. The quantity and frequency of investment programmes have been more significant in the U.K., having greater implication for levels of employment. So the co-operation of workers' has been essential to make the investment sustainable. That could be argued as one reason for the multiple task-level structures

found at Gloucester. The other reason for so many forums in Gloucester can be located in the division between monthly and weekly staff. In India, in contrast, white-collar unionism has no legislative support (see 4.3.2.) and managements easily manage to suppress such unions. ICI management's opposition to the moves for formation of a supervisory union at Thane has been noted in *Chapter 8*.

In this regard, ICI management's attitude to union recognition can be said to be consistent with the national trends in each country on union recognition. In India, attitudes have primarily followed the legislative prescription. So, where the legislation does not prescribe such recognition, control considerations have guided the decisions not to recognise. This raises questions about using attitude to union recognition as a basis for conceptualising and classifying management styles in industrial relations (e.g. Fox, 1974b; Purcell and Sissons, 1983; and Deaton, 1985). Hence, it needs to be re-examined and will be further discussed in 9.5.1.

The other fundamental difference is the absence of strategic or higher-level participative forums (both at the divisional and the company level) in ICI India, in contrast to the position in ICI U.K. The management explanation for this difference is based on differences in the form of unionisation and legislation in India. However, its real cause may be argued to be the lesser concern of the parent company about participation issues in the subsidiary, and its centralised control over ICI India. Need for greater union/workers' cooperation to make various investment programmes successful could be argued to partly explain the existence of the higher level forums in ICI U.K. In any case, their structure has a built-in trivialisation as discussed in *Chapter 7*.

The differences in the spread of participation in the parent and the

subsidiary company can also be explained in terms of certain historical circumstances. When ICI emerged in the U.K., industrialisation there was already advanced and so was trade unionism compared to India. So industrial conflict and its containment were already important issues in that society and participation as a means of conflict containment had existed for some time. In India, in contrast, not only was industrialisation limited until the early 1950s, but the labour market conditions disproportionately favoured domination of industrial capital. So traditionally, employers' concern about participation in India was, at most, one of polite recognition of its value (both to employers and employees) but, in many cases, one of disdain (see 4.3.3.). So ICI was under no special societal pressure to introduce elaborate participation in India.

Moreover, the lead role of ICI as an employer in the U.K. in the early 20th century (see 7.2.), and the personal profile of Alfred Mond, put an obligation on the company to appear as a progressive employer. This set a pattern for later years. ICI's modest beginnings in India, along with the dominant role of government in the field of labour, neither necessitated nor left much scope for voluntary action. This is corroborated by the lack of any reference by managers in ICI India to the participation tradition of the parent company.

The centralising strategy of ICI too has an influence on this question of levels of participation. Such a strategy in itself, with its prescriptions of technical, operational, financial and even personnel details, trivialises many of the task-level and unit-level forums at Thane. In a situation where many of the decisions have come from the parent company, and their rationale is unknown to even senior managers (who have little ability to influence them), it may be problematic for management control to have higher level

consultation structures. The structural basis for any national or divisional consultation in India will have to be the recognition of either of the two ICI Employees' Federations. The experience of ICI management with union recognition at Thane has been painful, and thus, avoidance of recognition at national level proves doubly attractive.

Another noteworthy resemblance between the two factories is the large number of issues that are treated as exclusive management preserves (see 7.4.1. & 8.5.1.). Exclusions of decisions from participation as an exercise of power (Bachrach and Baratz, 1962) has been acknowledged in *Chapter 2*. Such an exercise further strengthens the centralisation in ICI. Centralisation being a primary strategy and historical feature of ICI management (refer 7.2.), the effects of this strategy are felt more at the subsidiary level since it is topped up by auto-controls. Requirements of co-ordination and conformity decrease managerial freedom of action at more local levels.

This centralisation affects managerial ability and willingness to be participative down the line. Non-consultation in both countries is justified on the same grounds i.e. company policy. Since policy in almost all cases comes from the parent company, managers in India are often unable to deviate from it without elaborate procedural rigmarole. Even when managers down the line are not in agreement with the policy, they stick to the party-line in order not to appear divided as a management (see 8.5.4.). This acts to protect managerial power and control. (Of course, such public unity was reported by managers in all the four cases.)

The centralisation in ICI extends to employee relations and personnel matters, mostly at a policy level but occasionally to some details (see 8.2.3.). Since participation has been a historical

virtue in the parent company- a part of its progressive image- it is treated as a benefit for the employees in the U.K. Notwithstanding the legislative basis of participation in India, participation as an element of progressive company image is accepted by the Indian management. However, the impact of participation as a value on the Fibres Division is relatively inconsequential. This is partly because fibres is relatively new to ICI's operations in India, operating as a separate company up to 1984. Nevertheless, even in the U.K., non-participative managers are accepted if they are high achievers. In such cases participation as a value takes the back seat.

9.2.3. POWER CONSIDERATIONS IN PARTICIPATION

Managerial concern to maintain power and control is reflected in the choice of mechanisms in the participation arena. In both the units, resistance to more strategic forms of participation, such as worker directors, was evident. The Indian management, even if willing, could not establish any such system without the parent company approval. Similarly, prior consultation in both was geared towards management control considerations and was limited by ultimate management right to manage. Manipulation of prior consultation may in itself be considered an exercise of right to manage.

Control considerations are also indicated in the use of informal means of consultation to bypass the unions, position control in forums, and manipulation of information that is shared. Neither company has a policy on information sharing, but this solely rests on management benevolence (see 7.7. & 8.8.).

Even though in both the units managers talked in terms of position power, managerial concerns about the impact of participation on power was low at Thane. This may be understood in terms of the

absence of significant disturbance in industrial relations in a situation where the recognised union has co-operated with the management. But such a view co-existed with managerial resistance to union involvement in participation. If the two-union situation at Thane changed to a single union, it could become a potent force. So the significance of this resistance is based on a long term perception of union-management relation.

The hostility of managers to union involvement and the various proposals for change to the participative structure is more muted at Thane than at the Gloucester factory. The proposals for changes in Gloucester were more wide ranging and were oriented to restoration and strengthening of managerial control (see 7.5.2.). The high control orientation in Gloucester is also reflected in the manipulation of information and its dissemination by the management. The relatively non-threatening participation and industrial relations climate in ICI India explains the managerial reticence regarding changes to the participation arena.

In contrast to the above, the joint consultation agreement has proved restrictive on the management in the U.K. So the enthusiasm, desires and efforts for changes in the participation arena are very strong and noticeable in the Gloucester factory. In reality, this agreement is much less restrictive on managerial freedom of action (as it does nothing more than prescribe few structures and their working procedures) than it is perceived to be. In 1971, the circumstances made such an agreement attractive. But now that the objective conditions have changed in terms of union power and business situation, there is a natural desire to get rid of it and put in place what the management considers a more facilitative framework (see 7.5.2.).

The final prominent difference between the management action in the

participation arena in ICI U.K. and India is the absence of a profit-sharing scheme or employee share ownership in India- both of which are to be found in ICI U.K. Such schemes are not unheard of in India though are not a common practice. Governmental incentives for their introduction are there but political agreement about it is yet to be clear. The absence of such schemes in ICI India may be attributed to national differences (between India and the U.K.) in the nature of collective bargaining and certain organisational differences between the parent and the subsidiary.

Collective bargaining in India being more tripartite, the likelihood of governmental intervention into any profit-sharing scheme is plausible. Moreover, profit sharing to be self-sustaining, needs more task-level participation structures where workers can make tangible contributions (e.g. solving operational problems on T-18 machines in Gloucester and reduction of batch sizes in Bournvita mixing at Cadbury Thane). Such structures in ICI India are less developed compared to its parent company. Finally, there are already restrictions on the expatriation of profits by multi-nationals in India, so a profit-sharing scheme may further impair such expatriation. However, the linkages between financial participation, the availability of task-level participation opportunities, and national collective bargaining structure, is an area that requires further research.

CONCLUSIONS

The foregoing discussion reveals some fundamental differences between managerial action in the participation arena of ICI in the two countries. ICI India is marked by the absence of any significant participation initiatives from the management, which is evident from the lack of any higher level participation (and very limited and situation specific introduction of task-level forums). Parent

company control over the subsidiary in strategic areas and the strategy of centralisation in ICI are largely responsible for this. The rather muted enthusiasm for participation in ICI India is partly rooted in the historical circumstantial differences between it and ICI U.K.

At a more local level, there are large number of similarities in managerial action which are shaped by company business objectives, strategies and policies; management concern for power and control and the general response of the union to the management. However, within these broad similarities are pockets of differences caused by specific organisational conditions and contextual factors.

9.3. CADBURY U.K. AND ICI U.K.: SIMILARITIES AND DIFFERENCES

This research has been designed principally in a parent-subsidiary perspective. Nevertheless, in the interest of better understanding of managerial action, it is considered worthwhile to briefly explore the similarities and differences in the participation arena of Cadbury U.K. and ICI U.K., since both of them operate within the same national context. This is the task of this section. This comparison follows similar thematic categories as in the previous two sections e.g. origins and purposes; levels and issues of participation and power considerations in terms of union responses; but not in distinctly separate sub-sections.

The origin of participation in both these companies in the U.K. owes much to the initiatives of founder families and personalities in them e.g. the Cadbury family and Alfred Mond. Through participation, employees in both companies were given access to the directors (mostly family members). The paternalistic outlook of the founders demanded and facilitated such access. The presence of the directors in these participation forums created an illusory sense of power (a

feeling of empowerment) and made it look like strategic level participation. However, continuance of these higher level forums can be interpreted as responses to environmental developments and specific organisational pressures and needs e.g. Bullock proposals, changes in union power, competitive situation.

In both companies, prosperity purposes of participation are prominent. This has been a consequence of various business objectives and strategies requiring workers' cooperation e.g. BIP in ICI and the long-range plans in Cadbury requiring workers' cooperation (see 5.5.1. & 7.3.1.). However, the robust union response to the long-range plan in Cadbury brought conflict into the open in spite of the high paternalistic and unitary emphases laid out in this plan. Failure of ideological exercises (that the workers' long-term interests are tied to the success of the company plans) to secure company objectives, and the hostile union response, led to explicit use of power in Bournville causing instability in the participation arena. However, this instability was confined to the unit level, with the company level of the arena relatively unaffected. In contrast, in ICI, the vicissitudes of the fibres business have aided the comparatively smooth passage for initiatives like the BIP. The divisions between the weekly and monthly staff in ICI have also probably facilitated it by duplicating participation forums.

In both companies, managerial orientation to power and control were seen to be shaping many specific aspects of managerial action in the participation arena e.g. information dissemination, position control in forums, exclusive areas of decision-making. The paternalism and unitarism of Cadbury has been a basis of this control process. Even though the early participation in both ICI and Cadbury had a paternalistic foundation, its moralistic overtones have been pronounced in Cadbury and have continued there up to the current

time. It helped keep the union out of the participation structure of Cadbury until the late sixties, whereas union involvement in participation in ICI was entrenched enough to be translated into the joint consultation agreement in 1971. No doubt, the overall strength of unions in the U.K. at the time expedited this.

Paternalism as a continued basis of participation in Cadbury U.K. can be located in the nature of its origin and management. Cadbury's founders had a distinctly Quaker ethics and the family members continued to be directly associated with the running of the company (even today they are involved). This helped sustain the paternalistic-moralistic renditions of participation in Cadbury.

Though the traditions of Brunner Mond too were paternalistic, the process of merger through which ICI was founded brought some changes to it. For Cadbury too, merger with Schweppes has been noted as having affected Cadburyism. However, by the time the latter merger took place, paternalism was entrenched in Cadbury, and even after the merger Cadbury family members continued to hold key positions within the company. The paternalism of Cadbury was more a part of the value system of the founders, whereas in ICI it was more strategic and pragmatic (see 7.2.). This is why, it may be argued, that investment and other business plans generated greater upheavals in the paternalism-based participation of Cadbury than they did in ICI.

The persistent centralisation strategy in ICI has helped retain an integrated participation structure running parallel to the organisational structure. In contrast, the decentralised business strategy followed in Cadbury since the late 1970s has devolved participation structure and reduced the size of the arena e.g. there is no group level forum now. However, this has in no way reduced the actual control of the top management over unit level activities,

rather organisational hierarchy is used to control information. In this sense, decentralisation helps reduce union influence and increase management control. Centralisation and decentralisation both prove capable of trivialising participation forums and strengthening management control. However, structural arrangements within the participation arena in ICI contribute to incorporation and trivialisation despite strong union organisation (see 7.2.4.).

CONCLUSIONS

The above discussion points out that the management action in both Cadbury U.K. and ICI U.K. have revolved around the concerns for managerial control and achievement of company business objectives and strategies. But the way these concerns have operated in the two companies have differed. The nature and foundation of paternalism of both the companies account for this to a large extent. A flexible and pragmatic paternalism in ICI has supported its centralisation strategy. But in Cadbury, the break down of family-based paternalism due to merger, forced the company to follow a more decentralised approach to participation.

9.4. CADBURY INDIA AND ICI INDIA: SIMILARITIES AND DIFFERENCES

A comparison of management action in the participation arena of Cadbury India and ICI India, which this section addresses, is necessitated by the same considerations as have been discussed in the opening paragraph of 9.3. Such a comparison is meaningful because of the common industrial relations framework in India (particularly in Maharashtra) supported by legislation. Structurally, the section is designed along themes examined in previous sections.

Both these organisations share common ground in having only statutorily prescribed minimal participation. Neither has higher

level forums as are found in their respective parent companies. These basic structures are also found to be trivial in both companies, though they have been relatively more unstable in Cadbury India. Despite the common legislative base, the difference in relative stability can be explained in terms of disparity in the ability of their recognised unions to respond to managerial actions, and in the nature of their response. The ability and actual response of the union in Cadbury India has undoubtedly been vigorous. Management of Cadbury India has contributed to this instability through some deliberate actions. But the ICI management has been relatively circumspect in that regard due to its internal union and business circumstances (see 8.3.).

Similarly, triviality in both is not necessarily caused by the statutory nature of the bodies, though imprecise legislation aids the management in manipulating these. Triviality is caused by deliberate management action and not the weakness of the union. This argument is founded on the fact that triviality has afflicted even management sponsored participation forums e.g. QCs in Cadbury India. This trivialisation is accentuated in ICI India by the centralisation strategy where directives, control systems and imposed decisions restrict management freedom of action even at lower levels of the hierarchy.

The greater centralisation and parental control over ICI India compared to Cadbury India is manifested in the personnel strategy of the former where most key functionaries, including the Managing Director, are foreign nationals. Two factors may be argued to account for this difference between Cadbury and ICI. First, the magnitude of ICI's business in India is much larger than that of Cadbury's (for example, ICI India's assets in 1990 were worth 5882.6 million rupees and that of Cadbury 439.2 million rupees. Their sales turnover in 1990 were 5071.7 million rupees and 1083.5 million

rupees respectively). Further, centralisation being a key strategy of ICI, ethnocentric personnel appointments are a means and sign of this centralisation.

The interesting aspect of the above difference is that, in spite of higher centralisation in ICI, unit level autonomy is not an issue in the Thane factory. Managers have got used to it as a business strategy and, in a way, it has acquired the status of a value and ideology within the organisation and there is certain amount of openness about it. Although centralisation restricts managerial freedom and willingness to involve employees at lower levels, it does not generate any direct hostility to the union or its involvement.

On the contrary, in Cadbury India, the appearance of decentralisation works as a front for a perceived need and desire for central control and co-ordination. This contradiction has resulted in unit autonomy being a strong issue at the factory level and has indirectly contributed to managerial hostility to union involvement in participation at that level (see 6.5.2.). The desires for centralisation of the top management in Cadbury India is both a consequence of its historical experience e.g. the lockout, and the effects of auto-controls discussed in 2.6.2. The local composition of the top management in Cadbury India adds to this auto-control effect causing a void between professed policy of decentralisation and the reality of centralisation. That is why there is a general reluctance to discuss in public the control relationship with the parent, seen in 6.2.2. The fusion of the need and desire to centralise alongside a public posture of decentralisation is an experienced reality in Cadbury U.K. as well, as discussed in 5.3.1. and in 5.4.

CONCLUSIONS

Though similarities are generally confined to the structural and processual aspects of participation in both the companies, the differences are partially caused by the nature and clarity of parent company strategies and policies. Relative union strength and response has also been a factor in the differentiated management action in the respective participation arenas. Business objectives and strategies, and managerial concerns for control and power, are manifested in both the arenas.

9.5. MANAGERIAL ACTION IN THE PARTICIPATION ARENA IN INDIA AND THE U.K.: SIMILARITIES AND DIFFERENCES

This research claims recognition as a cross-national study. In view of that, it is pertinent to comment on a few broad similarities and differences in managerial actions in the participation arena as found in the two countries based on the four case studies. This section deals with that. First, it compares the factors influencing managerial actions in the two countries and later discusses the differences in the levels of participation. The last part of the section is devoted to analysis of some theoretical issues arising out of the previous comparisons.

In both the countries, it was found that circumstances of individual cases dominated over the national context in explaining differences in the managerial actions in the participation arena. Managerial actions reflected the impact of company business objectives, strategies and policies; managerial values about power and control, and union responses in broadly similar ways. However, how these combined, and the timing and nature of their expression were mediated by individual circumstances. Many of these strategies (e.g. expansions, diversification, brand management) in some respects take

into account contextual variations. From that viewpoint, it may be accurate to say that parent company control and its strategies more directly influenced managerial action in the subsidiary than did the national context. In both ICI India and Cadbury India, managers anticipated that the parent company would intervene if the subsidiary went for any strategic level participation - an indication of auto-controls restricting management action at the subsidiary level. Similarly, these managers saw parent company policies and control systems not facilitating any radical changes in participation, notwithstanding governmental initiatives. This supports the arguments put forward about primacy of parent company policies and values over national context (see 2.6.4).

In India, legislation did not seem to affect managerial action in any significant way, at least not in a restrictive sense. The legislatively prescribed structures were minimal, and had been voluntarily created by the managements in the parent companies. Rather, the legislation helped managements in India to legitimise the non-creation of higher level forums.

The absence of both strategic level and task-level participation forums in India was intriguing. The former is understandable and has been discussed at many places in this thesis. However, explanation of the latter's (generally acknowledged as economically beneficial) absence, poses a challenge. The economic benefits of task-level participation are dependent on the training and developmental inputs given by the management to the workforce to enable them to effectively use and contribute in these forums. In the absence of such inputs, the beneficial contribution may be negligible, and the forum may rather cause frustration and conflict.

From that viewpoint, the absence of significant task-level initiatives in India can be attributed to the companies' lack of

investment in any training activities. Even the failure of QCs in Cadbury may be attributed to such non-investment. This research does not have specific empirical data to back up such an argument, but its likelihood is not discounted since the Thane factories of both these organisations had hardly any training establishment in contrast to the elaborate set up in both Gloucester and Bournville. Further research in this area is needed to establish linkage between training investment and task-level participation initiatives.

Resistance to union involvement in participation in both the countries (though in varying intensity depending on local realities) is reflective of fundamental antagonism in capitalist employment relationship that transcends contextual barriers. In view of that, any construction of the participation arena other than as conflictual would be fundamentally flawed. The national context may only alter the nature and the instruments of conflict but cannot do away with its existence. Similarly, managerial ideologies were found operating the same way irrespective of the context. Context only hindered or helped its working but did not alter the nature of its working. In India, the use of unitary ideology was circumspect due to legislative recognition of management-labour conflict. However, the exercise of right to manage rooted in managerial expertise depended on particular organisational circumstance (e.g. CP plant problems in ICI India) and the union response to unitary ideology (e.g. fate of Bournville Council in the late seventies).

9.5.1. SOME THEORETICAL ISSUES

Three fundamental and conceptual issues emerge out of the comparison between India and the U.K. and the findings of the case studies. The first concerns management attitudes to union recognition as a criterion for classification of management styles in industrial relations (see 9.2.2. and Deaton, 1985). The second, concerns

Ramsay's international cycles hypothesis (1983b and 1991), and the last one is about the dominant effect (best practice) thesis of Smith and Meiksins (1991) in cross-national research. These have been discussed below.

Union recognition as a criterion in identifying management style is of no use in environments where such recognition is mandated by law. Hence, its utility in defining such style in many third-world countries is suspect. Moreover, even where such recognition is not enforced by law, managements do not display a uniform attitude to recognition at different levels (e.g. ICI India not recognising the all-India federations of its employees but recognising unions in factories). Even where unions are formally recognised, their legitimacy in all areas of organisational working is not automatically accepted (e.g. Cadbury U.K. and ICI U.K.). So union recognition in itself is an insufficient and incomplete indicator of managerial style. It would be more appropriate to identify official management positions regarding unions' broader role in society and the work organisation, and to correlate such positions to actual working within the company, as a basis for defining managerial styles. A mixture of case studies and survey evidences may be more helpful in this regard than reliance only on the latter, as Deaton has done.

Coming to Ramsay's cycles interpretation, it has been noted in 6.4.4. and 8.4.4. that, in both Cadbury India and ICI India, managers tend to use participation more when they are in difficulty and desperately want to achieve something. Managers in the parent company do likewise. To that extent, Ramsay's interpretation is vindicated, and so is its ability to explain and conceptualise this phenomenon in a non-western context.

But it raises the question of whether there is any simultaneity

between managerial initiatives in the participation arena in the U.K. and India. Going by the four case studies, this does not seem to be the case. The late 1970s saw the destruction of the Bournville council, while participation forums were being strengthened in Cadbury India (see 6.4.1.). In each case, calculation of management control in the light of union response was a crucial determinant. Hence, organisational realities on the ground are more likely to affect managerial action than some kind of macro crisis. Moreover, if there were to be an international cycle, would it not reasonably be expected to manifest itself more in multi-national players than in nationally confined players (who are often protected by the national governments)? If it is not found in multi-nationals, how does one read such a cycle from what happens to nationally specific firms more rooted to their ground realities?

One could argue that the downturn in the fibres business worldwide in the 80s saw many managerial initiatives in ICI U.K. and QCs in India. That is an international cycle. But there are still unanswered questions. Can an international cycle be claimed on the basis of simultaneity of actions alone (which may be merely coincidental)?

One has to be sure that the causes that triggered such actions were the same, that the particular initiatives were broadly similar and were used towards the same ends. The discussion regarding purposes of participation in the four cases reveal that many participation initiatives had relation to local conditions more than to macro influences. Until research is specifically geared towards analysing such causation and usage, and particularly in multi-national enterprises, the idea of an international cycle will continue to be empirically suspect. Further, governmental initiatives in participation through legislation may be more motivated by ideological commitments, as has been the case in India, than as a

response to politico-economic compulsions (see *Chapter 1 and 4.4.*).

The specifics of management initiatives in participation raise questions about Smith and Meiksins' (1991) idea of best practices. If the best practices acquire their status because of the competitive economic advantages they provide and, if organisations adopt these with that benefit in mind (as Smith and Meiksins appear to argue), one would reasonably expect the rational economic players like the multi-nationals to be the pioneers in evolving, adopting and diffusing these.

Surprisingly, it is found that there is great discrepancy in adoption of the so-called best practices between the parent and the subsidiary. QCs which have been tried by both Cadbury India and ICI India are not to be found either in Bournville or in Gloucester. The reverse situation applies to TB and partly to TQM (lately TQM has started in Cadbury India). If economic advantage is claimed to be the sole purpose of its (best practice) adoption, its use in one part of the multi-national only is difficult to explain. Particularly surprising is the use of a practice in the parent company but not the subsidiaries. It may be argued that best practices serve more than one purpose (e.g. facilitating change, diversion of attention) and their adoption is governed by ground realities in each case, and that a certain selectivity is exercised in managerial choices. However, more focused research in this area would be required to identify the specific ways in which the best practices get diffused and how these are used by managements in different circumstances.

CONCLUSIONS

It may be concluded that managerial action in the participation arena is more shaped by ground realities of an organisation than their wider context. Context mediates in the interpretation of this reality. Similarly, at the subsidiary level, the policies and values of the parent company have more direct impact in shaping managerial action in the participation arena than the national context.

CHAPTER 10 CONCLUSIONS

This final chapter briefly summarises the main theoretical contributions of this research in the light of the main findings of the four case studies (i.e. Cadbury U.K., Cadbury India, ICI U.K. and ICI India). It also enumerates the practical utilities of this research for management, union and future researchers. It examines the strengths and weaknesses of this research and re-evaluates the methodology followed. The chapter ends with suggestions for future research and indicates this researcher's future plans as regards his interest in the subject.

10.1. THEORETICAL CONTRIBUTIONS OF THE RESEARCH

In *Chapter 2* of this thesis, a broad band of literature on the core subject of this research and its other major dimensions was reviewed. This provided the basis for the theoretical framework of the research, its explanatory model and its methodology. Many theoretical points were raised in that chapter (and a couple more in *Chapter 1*) and these were explored in the course of the discussion of individual cases as well as in their comparative analysis in *Chapter 9*. Some of these points are briefly revisited below in the light of the research findings in order to summarise the main theoretical contributions of this research. This section revisits the issues of applicability of western models and theories about participation to non-western contexts such as India, managerial orientation to participation, power and control as concerns in the participation arena, and the use of ideology. It also summarises the impact of parent-subsidiary relationship on the participation arena at the subsidiary level.

The insufficient and slender theoretical base of research into

participation in India was mentioned in 1.1. In that context the applicability of western models and concepts about participation to non-western contexts was noted as an unexplored area. It is the finding of this research that western classifications about dimensions of participation (see 2.2.1.) are able to describe the participation structures in India notwithstanding their legislative foundations. Thus, these concepts are broad enough to comprehend the reality within the participation arena of any organisation founded on a capitalist employment relationship, irrespective of the national context. This is because these concepts are based more on organisational power structure and the nature of employment relationships in capitalist organisations than on the contextual variables. However, managers in the U.K., compared to managers in India, were relatively reluctant to use the expression "participation", preferring "consultation" instead. This is possibly the outcome of long and entrenched conceptual debate and distinctions made on the subject over the years in the U.K.

Similarly, it has been established that Ramsay's cycles analysis is applicable to participation initiatives in Indian organisations. Furthermore, the Government of India's initiatives also indicate a cyclical pattern but not necessarily for the reasons discussed by Ramsay. Socialist rhetoric, political debts (i.e. workers' support to freedom movement) and electoral calculations have inspired Governmental initiatives more than any obvious pressures in the labour or product market (see 4.4. & 1.1.). Moreover, the government, as the largest employer, has always considered it a moral responsibility to give the lead as a good employer. Participation has been an integral part of such an ideal. However, Ramsay's notion of cycles having international ramifications has been questioned, and connected issues have been discussed in 9.5.1.

Ramsay's concepts of success, triviality, instability and the change

of committee status have been examined in the case studies. It was noted that conflicts within and about managerially initiated so-called consensual participation schemes (see 2.2.1.) are not uncommon (e.g. Bournville Council; Factory committee and QCs in Cadbury India). Such schemes are also prone to instability and triviality. The actual fate of particular schemes depends on their origin, managerial experience of their operation and union responses. Participation machinery itself has been an issue of conflict in all the four organisations when its ability to protect managerial power and control, and promote company business objectives, has been under strain (see 5.4., 5.5.1., 5.7., 6.3.1., 6.4.1., 6.6., 7.4.3. and others).

Ramsay's views (see 2.5.) that statutory forums become unstable and trivial is borne out in both Cadbury India and ICI India. But this happens not merely because these are statutory but because of many deliberate managerial actions based on considerations of company objectives and managerial control. Managerial orientation to participation in both the countries has been both compulsion-based and voluntary (see 2.5.). In the case of their parent companies in the U.K., these compulsions have been more economic, whereas in India these are more political i.e. legislation. However, the so-called voluntary orientation also reflects an underlying economic calculation in both the countries. The voluntary orientations often indicate sensitivity to environmental pressures and prospects (e.g. Bullock proposals in the U.K. and prospects of EC legislation; or shop councils in India) and in that respect seem to be pragmatic and pre-emptive (e.g. Company conference in Cadbury U.K. and early initiatives in ICI U.K.).

Moreover, the voluntary orientation of the top management to participation, particularly at the subsidiary level (e.g. Cadbury India) proves a compulsion for the management at the unit level (

see 2.5.) and can generate hostility to participation. In all the cases, managers down the line were more resentful than the top management about participation in general, and union involvement in it in particular. The situation is aggravated or ameliorated by the nature of union response at local level (e.g. the contrasting union responses in ICI and Cadbury in India). This also affects managerial perceptions of power and control at the local level in terms of company objectives (i.e. ability to stimulate productivity by flexible movement of labour).

Managerial purposes in the participation arena have been discussed at great length (both from organisational and individual perspectives) in all the four cases. It was found that managers in ICI and Cadbury, in both the countries, had broadly similar understanding about the concept of participation. This similarity is based on their similar expectations from participation, which in turn are shaped mostly by company objectives, strategies and policies, and managerial values about power and control (see 2.3. & 2.3.3.). This argument is supported by the fact that the four cases considerably vary in terms of organisational articulation of purposes of participation. The contextual variation between firms and countries made no difference to this understanding. At the subsidiary level, the control of the parent company in terms of objectives and strategies shaped values of power and control (see 2.3.2.) more than contextual influences. The local union response too influenced such values.

Managerial perceptions of power differ depending on the local conditions but, at a general level, managers in both countries revealed similar notions of power. They did not distinguish between power and control, and invariably talked of position power. This they understood in relation to the responsibilities arising out of company business objectives and strategies, and they strived to

protect the visible aspects of such power. Examples are the chairmanship of forums or ability to move labour. This accounts for some of the similarity between management action in the participation arenas of both the companies in the two countries (see 2.2., 2.2.1., 2.3.2., 2.3.4.).

Managerial notions of power discussed above hold a clue to the proliferation of shopfloor level participation in Britain in the 1980s and why there has been this shift in emphasis from higher level participation concerns of the 1970s (see 1.1.). In all the four cases it was found that most proposals for changes to the participation structures are motivated by power and control considerations of managers. Decentralisation of participation structure was suggested by managers in one form or another in all four cases (in Cadbury U.K. it happened to a great extent in the early 1980s, in ICI U.K. such moves are currently afoot). Management interest in task-level participation is predominantly shaped by the understanding that such participation is unlikely to adversely affect managerial power and control. However, the economic utility of such participation for company objectives and strategies is also a calculation in this enthusiasm for shopfloor level participation. Economic success legitimises managerial exercise of power and control, and the managerial ideology of right to manage. The recession and the weakened union power in the 1980s probably provided the immediate opportunity and facilitated this shift, but were not its causes.

It was also found that where there is consensus and clearer understanding among managers about organisational strategies and policies, it harmonises managerial notions of power to a degree. Such harmony eliminates potential sources of conflict and resistance from managers in the participation arena (see 2.3.1.). This was indicated in issues of centralisation and autonomy. Even though ICI

is very centralised, such centralisation does not evoke the kind of responses in its managers that the issue of factory autonomy does in managers of Cadbury India. However, this research demonstrates the need for more detailed inquiry into managerial values of power and control. Such investigation should focus on what managers see as constituting power and control, and how this is shaped. While the former could be examined through a survey method, the latter issue would require qualitative case studies.

Ideology was found to be an influential resource for management in protecting its power and control. However, the use of ideology depended on the circumstances of each case, both historical and contemporary. There was, for example, less emphasis on unitarism in Cadbury India than in Cadbury U.K., and the use of the right to manage (rooted in managerial expertise) as an ideology was absent in ICI India. In addition, ideology as a flexible resource for securing managerial control is illustrated by the way it is used to support inconsistent management stances. For example, chairmanship of participative forums is preserved for management nominees on the grounds of executive authority and expertise, but the key decision-makers are excluded.

Managements were found to make tactical switches between various ideologies to justify their decisions and, thereby, to preserve their control. However, ideologies substitute for explicit use of power to only a limited extent, and overt power is used to secure managerial ends when ideology fails to secure it. An example is the abolition of the Bournville Council when it opposed the objectives of the long-range plan. The original systemic ideologies of participation in both Cadbury U.K. and ICI U.K., had weakened over time. This is manifested in the lukewarm interest of the parent companies in creating similar systemic ideologies in the subsidiaries, and the diminished efforts in the parent company

itself to maintain such an ideology. As a consequence, at the lower levels managers, use managerial ideologies to protect their power and control in way that often goes against the systemic ideology of participation. The development of systemic ideology, its use and demise need to be further researched.

This research finds a complex combination of government policy, nature of union response, company policy and management control considerations, shaping managerial choices between negotiation and consultation on issues. Similarly, the absence of financial participation schemes in the Indian subsidiaries has been argued to be based on structural aspects like nature of collective bargaining and non-availability of elaborate task-level participation forums. However, more research is needed to establish clear linkages between these.

It was found that parental control over subsidiary management effectively insulated many issues from the scope of participation at the subsidiary level. Even within the limited participation arena in the subsidiary, managerial actions in their details (in terms of understanding, responses, use of ideology, position control in forums and many others) were found to be broadly similar to that of the parent company, even in the absence of direct imposition of participation systems or values by the latter. This similarity is significant considering the contextual variation in terms of the degree of governmental intervention in the participation arena of the two countries. Multi-nationals that are currently being wooed by the Government of India (see 4.2.2.), but weary of its interventionist policies in the labour field, may take solace from this. Managerial discretion in choice of best practice and its limited diffusion from the parent to subsidiary has been noted in 9.5. The need for further research in that area has been indicated.

The personnel and industrial relations function as a prime candidate for decentralisation in multi-nationals has been widely discussed in the literature (see 2.6.3.). In this research it was found that Cadbury does not impose personnel decisions on its subsidiary. In ICI, personnel and industrial relations matters were less centralised than other functions e.g. SHE activities.

The present study is able to suggest why multi-national enterprises often decentralise personnel and industrial relations more than other functions. The first argument is that in other areas of business decisions and operations e.g. products, quality, marketing; the adverse impact of any loss of control is direct, immediate, and more damaging on the parent company and its profitability. In contrast, failed decentralisation of personnel and IR related matters could, at most, lead to industrial action and loss of production at the subsidiary level. In many economies, the multi-nationals would be able to service the local markets from other locations in such a situation. The many specific advantages of multi-nationals for dealing with the adverse consequences of such industrial action have been discussed by Ramsay (1986). Furthermore, active control over other functional areas effectively restricts subsidiary management choices over personnel matters, through imposition of performance criteria that are intrinsically related to productivity, wage levels and employment strength.

Such decentralisation basically means the absence of pro-active prescriptions for action from the parent company. The latter can certainly stop actions of the subsidiary management that are not to its liking (see Sir Adrian's views in 6.3. about worker directors in India). Most significantly, it is the phenomenon of auto-controls (discussed in 2.6.2.) that automatically restricts any radical action at the subsidiary level even within a decentralised function (see views of managers in both Cadbury India and ICI India about

their perceptions of parental control on them). It is strongly felt that there should be more research into this phenomenon of auto-controls and how it regulates actions at the subsidiary level even within decentralisation.

Moreover, decentralisation of personnel activities may also be argued to be based on an accurate understanding of capitalist employment relationships. Any labour upheavals at the subsidiary level is likely to most immediately affect the subsidiary management. The self-preservation instinct of the subsidiary management will probably impel it to tighten labour control, and this is reinforced by its accountability to the parent company. The displacement of the top management team after the lockout in Cadbury India illustrates the predicament of the subsidiary management, and such instances serve as reminders to subsidiaries about consequences of loss of control in labour matters.

10.2. UTILITY OF THE RESEARCH

An important question to ask of any social science research is: does it have any practical utility? This is a fair question considering the amount of human labour that has gone into the research. The current project can be argued to have the following utility for management, unions and other researchers.

First, managements considering new initiatives in the participation arena can learn from this research that the existence of a strong systemic ideology of participation backed by the top management is not itself sufficient. Winning acceptance at lower levels of the managerial hierarchy will require considerable effort, and restructuring in overall command and coordination structures. In a multi-national context, the effects of auto-control can nullify any decentralisation unless the latter is backed by support for new

action, and periodic clarification of issues and constraints.

Secondly, trade unions can learn from the research that unless they pitch themselves for the appropriate decision levels in the organisation (i.e. the parent company in a multi-national and the corporate level in their own country), they will always be on the side-lines of decision-making. Even in apparently innocuous participation forums, the influence employees can exert, and the control they can seize, can be enhanced given the right kind of representation. For that, unions have to prepare their membership through training to understand, appreciate and use business information. This weakness is constantly exploited by managements to deny access to decision-making.

Lastly, for fellow researchers attempting a comparative study away from their own country, there is a lot to be learnt from the conduct of this research. The discipline with respect to time, the quality of access to organisations and the realisation that one's intellectual traditions are different from those of your host society, are all factors that can significantly affect the research and its outcome. One's ability to assimilate a foreign language and to adapt to a different society quickly and smoothly is critical to the completion of such research on time. It is hoped that this study will generate an interest among British researchers to study India, since this is a potential gold mine for academic investigations but severely under-explored.

10.3. STRENGTHS AND WEAKNESSES OF THE RESEARCH

Self-reflection and self-criticism are time honoured instruments of learning. Having carried through the research to its conclusions, this section looks at its strengths and weaknesses in the light of the methodology followed and the other details.

The utility of the model developed in *Chapter 3* for explaining managerial action in the participation arena of an organisation has been well established through this research. The three sets of factors identified proved broad enough to be applied across nations without causing conceptual problems. However, the international context identified in the model as a possible influence on the participation arena did not prove useful for this research. This was partly because India, unlike the U.K., is not part of any regional organisation that has influence over employee participation. The SAARC (South Asian Association For Regional Cooperation), of which India is the leading member, is yet to go into such areas of activity. However, a research project into multi-nationals within the EC could make useful application of the idea of an international context.

In retrospect, the research has vindicated the decision to exclude cultural differences between India and the U.K. as a potential explanatory factor. There were no aspects of managerial action in the participation arena that could not be adequately explained in terms of the explanatory variables considered. Similarly, the case study approach proved immensely useful in establishing linkages between past and present managerial actions, and to reveal changes over time.

This research could have been further strengthened with more information about parent-subsidiary relationship from the parent company perspective. That could have brought out the exact effects of auto-controls which could possibly have supported some of the arguments about decentralisation of personnel and industrial relations function discussed earlier in this chapter. This, however, was not possible because of lack of research access to some of the key players in the Divisional and Company level forums in ICI U.K. and, to some extent, in Cadbury. That is probably a disadvantage of

researching into large organisations. Time and resource constraints, though are a standard excuse, were a genuine handicap.

10.4. THE WAY FORWARD

Learning is comparable to a motion picture where each piece of research and academic work is an episode, a particular frame that leads to the next. It is, therefore, important to suggest possibilities for theoretical explorations in the future. Many suggestions have already been made at different places in this thesis. However, these are brought together in this section.

One important area of future research could be the linkages between collective bargaining structure, task-level participation forums, and financial participation schemes. Multi-national companies would be the ideal setting to study it. In that context, the relationship between investment into employee training, and the creation and success of task-level participation schemes would be interesting to study. More research is also required into managerial values of power and control, and how these are shaped within organisations.

With regard to multi-nationals, the effect of auto-controls needs to be examined in greater detail, particularly in relation to the strategies of centralisation and decentralisation. The differentiated diffusion of best practices within multi-nationals have to be accounted for. Such diffusion across developed countries, and from developed to developing countries needs to be compared and explained. Among the four companies studied, ICI U.K. in particular, is going through an interesting phase as far as participation is concerned (see 7.2.4. & 7.5.2.). A longitudinal study covering this transition and its aftermath would be likely to prove very informative.

This researcher would like to continue his research into some of the areas enumerated earlier. In future, useful comparison can be made between managerial action in the participation arena of multi-nationals in India and that of Indian organisations. The weaknesses of research into participation in India (see 1.2. & 2.1.) could be remedied with more theoretically grounded research. It is hoped that this research heralds such a beginning.

As a closing thought, a quotation from Wittgenstein seems suitable. It summarises the dilemma a research student faces at the beginning, during and at the end of his research. He (Ludwig Wittgenstein, "Philosophical Investigations", 1953, Blackwell, London) wrote,

"Do I really see something different each time, or do I only interpret what I see in a different way? I am inclined to say the former. But why? To interpret is to think, to do something, seeing is a state".

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APPENDIX 2

Dear Mr. _____,

I write in support of Mr. Santrupt Misra, a Commonwealth Scholar who is carrying out doctoral research at this University under my supervision.

As outlined in his letter, Mr. Misra plans to study the management role in employee participation in multi-national companies. He is adopting a comparative perspective and intends to carry out research in paired plants of companies operating both in India and the U.K.

I would be most grateful if your company would consider affording Mr. Misra access for research fieldwork. This would ideally take place in Spring/Summer 1991. It would involve interviews with a sample of managers, and access to some company records on participation. Ideally, Mr. Misra would also like to observe the operation of some participative forums.

I am able to offer you assurances on behalf of Aston University that Mr. Misra will conduct himself in a thoroughly professional manner and that all information collected by him will be used strictly for academic purposes.

Yours sincerely,

Roger Lumley (Dr.)

APPENDIX 3

INTERFACE GUIDE (MANAGEMENT)

SECTION A: INDIVIDUAL PROFILE:

Name:	Designation:
SEX:	Department:
AGE:	Length of Service (in the company):
	Educational Qualification:

SECTION B: UNINATIONAL VIEW:

1. Could you please give me a very brief description of your job?
2. Are you now (or have been) a part of any of the committees or forums like Works Committee, Shop Council etc? What is/was your nature of involvement ?
3. How long were you or have you been associated with the participative mechanism of the organisation?
4. Why and how did you get associated with the participative forums?
5. Why do you think it was introduced in your organisation ?
6. What do you, in your capacity as a manager, try to achieve through formal participation system of your organisation?
7. How far have you achieved it and how did you achieve it? Could you please give examples.
8. To settle crucial and disputed issues, do you use more informal means or the formal participative mechanism? Which ones you use in particular and why?
9. On what basis would you evaluate the success or failure of employee participation forums in any organisation?

10. What do you conclude when you apply the same criteria to your organisation?
11. Is there a system of rotating headship for the participative forums in your organisation? Why?
12. If you were to modify the existing system of employee participation in your organisation, what exactly would you change?
13. Have the employees ever demanded more participation in decision making in the past?
14. When the employees demand more participation in wider issues and at higher levels of the organisation, how do you deal with it?
15. How has the top management responded to such demand in the past?
16. Please list items on which you and the management unilaterally take decisions, items on which the employees are consulted and items on which they are left to decide for themselves.

EXCLUSIVE (M)

CONSULTATION

EXCLUSIVE (W)

17. What are those areas of your job where you welcome employees to participate more? Why?
18. What are those areas of your job where you do not give the employees any say nor want the employees to have any say? And why ?
19. How do you justify your own decisions to employees when it concerns them but you have not consulted them before?
20. How do you justify management decisions to employees which concern them but about which they have not been consulted? Could you give an instance from experience?
21. Have you found prior consultation with employees problematic or helpful? Could you explain your response with a live example.
22. Which are those subjects about which you do not share any information with the employees? Why?
23. Are there matters about which you see to it that you share information? Why?
24. Have you ever taken any steps that have helped you to contain the possibility of employee demand for more participation?
25. Has your organisation undertaken any such exercise that has helped contain the possible demand for more participation?
26. Do you often find situations where the employees come out with better solutions to problems than you or other

managers? Please give some examples.

27. Have you ever managed to persuade the employees to accept the idea that the managers are better in decision making than the employees? How did you do it? Could you cite a few instances?
28. Do you find there are specific circumstances or times in which you think of using employee participation more than at other times? If yes, what are these times or circumstances? Could you give some instances?
29. Are there ways in which you or other managers can be persuaded to be more participative?
30. Have there been any examples of this in your organisation?
31. In what respects do you see yourself contributing to the success or failure of employee participation in your organisation?
32. Does employee participation help you to be more effective in any way? Could you explain with few examples.
33. Are there any attributes or things that give you a sense of power in your position within the organisation?
34. Do you find that an increase in employee participation affects your managerial power in any way? Could you explain with an example?
35. From your experience, which are those areas of employee participation where you have found management and employee goals and interests converging?
36. Could you describe any experience of yours with employee participation process that you consider to be significant. Why do you consider it significant?
37. If you were to give your estimate of the extent of employee participation in decision-making in this organisation, what would you say?

APPENDIX 4

INTERFACE GUIDE (Employees)

SECTION A: INDIVIDUAL PROFILE:

Name:	Designation:
SEX:	Department:
AGE:	Length of Service (in the company):
	Educational Qualification:

SECTION B: UNINATIONAL VIEW:

1. Are you in any way a part of the participative mechanism of the company? What is your nature of involvement ?
2. How long have you been associated with the participative mechanism of the organisation?
3. Why and how did you get associated with the participative forums?
4. Why do you think it was introduced in your organisation ?
5. What do the managers try to achieve through formal participation system in your organisation?
6. How far have they achieved it and how did they achieve it? Could you please give examples.
7. To settle crucial and disputed issues, do the managers use more informal means or the formal participative mechanism? Which ones are used in particular and why?
8. On what basis do you evaluate the success or failure of employee participation in any organisation?
9. What do you conclude when you apply the same criteria to

your organisation?

10. Is there a system of rotating headship for the participative forums in your organisation? Why?
11. If the management were to modify the existing system of employee participation in your organisation, what exactly would it change? Why do you think so?
12. Have the employees ever demanded more participation?
13. When the employees demand more participation in wider issues and at higher levels of the organisation, how does the management deal with it?
14. How has the top management responded to such demand in the past? Could you give an example?
15. Please list items on which the management unilaterally take decisions, items on which the employees are consulted and items on which the employees are left to decide for themselves.

EXCLUSIVE (M)

CONSULTATION

EXCLUSIVE (W)

16. What are those matters where the management welcomes employees to participate more? Why?
17. What are those matters where the management does not give the employees any say nor want the employees to have any say? And why ?
18. How do managers justify their own decisions to employees when they have not consulted the employees before?
19. How do managers justify top management decisions to employees which concern the employees but about which they have not been consulted? Could you give an instance from experience?
20. Does your management prefer prior consultation or avoid it? Why? Could you explain with an experience.
21. Which are those subjects about which management does not share any information with the employees? Why?
22. Are there matters about which the management sees to it that the information is shared? Why?
23. Has the management ever taken any steps that has helped to contain the possibility of employee demand for more participation?
24. Do you often find situations where the employees come out with better solutions to problems than the managers?
25. Are you ever persuaded to accept the idea that the managers are better in decision making than the employees? How are you so persuaded by your managers?

26. Do you find there are specific circumstances or times in which the managers think of using employee participation more than at other times? If yes, what are these times or circumstances? Could you give some instances?
27. Are there ways in which the managers can be persuaded to be more participative? Could you give an example.
28. Have there been any examples of this in your organisation?
29. Has there been any extension of employee participation in this organisation during your career? How did such extension affect the management and the employees?
30. How far do you think the managers would appreciate any proposal for extension of employee participation?
31. If there had been any such proposal in the past, how did the managers react to it?
32. In what respects do you see an individual manager contributing to the success or failure of employee participation in your organisation?
33. Does employee participation help managers to be more effective in any way? Could you explain with few examples.
34. Are there any attributes or things that give managers a sense of power in their position within the organisation?
35. Do you find that an increase in employee participation affects managerial power in any way? Could you explain with an example?
36. From your experience, which are those areas of employee participation where you have found management and employee goals or interests converging?
37. Could you describe any experience of yours with employee participation process that you consider to be significant. Why do you consider it significant?
38. If you were to give your estimate of extent of employee participation in decision making in this organisation, what would you say?

APPENDIX 5

INTERFACE GUIDE (TOP MANAGEMENT)

SECTION A: INDIVIDUAL PROFILE:

Name:	Designation:
SEX:	Department:
AGE:	Length of Service (in the company):
	Educational Qualification:

SECTION B: INDIAN VIEW:

1. Could you please give me your job description briefly?
2. How often do you interact with the parent company in U.K.? What are the usual means and occasions of such interaction?
3. Are you a part of the formal participative system in India? What is your nature of involvement?
4. Does the management in India have a particular policy and philosophy with regard to employee participation? If yes, what is it?
5. Does your Parent company have a policy and philosophy about employee participation at the international level? Could you please explain what it is?
6. Is there any difference between the policy of the parent company and that of its Indian subsidiary? If there is any, why do you think it is so?
7. If your parent company has a particular policy about employee participation that you are implementing here, how do you justify its limited character to employees when

there is demand for more?

8. If the parent company has a particular policy about employee participation which you have to implement but with which your managers do not agree, what would you do?
9. Have there been any such occasion? How was it dealt with?
10. How do the managers in India get to know about the policy and philosophy of the parent management on a particular subject?
11. Are there any means available to the subsidiary unit managers to influence the policies and philosophy of the parent management?
12. Do you know what kind of participative mechanism is available in your U.K. organisation? How is it different from the system in India?
13. What kind of issues and levels you find appropriate for employees to participate in your organisation? What kind of participation are you referring to?
14. If the Indian management decides to extend participation in the Indian company much beyond what is there in the U.K., how do you expect the parent company to react?
15. Do you expect similar reaction if the Indian management decides to implement a much weaker participative system compared to what the parent company expects it to do?
16. If much greater participation is enforced in India through legislation, how do you expect the parent Company to react?
17. Would you be prepared to share more decision making with the employees if the parent company managers decide to do so? What reasons would you advance for such linkage?
18. Could you give examples of decisions for which the Indian management waits for the directive of the parent, seeks prior approval of the parent, consults the parent, just informs the parent and matters about which it decides unilaterally.
19. Which are those areas where your Company policy that is totally controlled by the parent company ?
20. What aspects of your Personnel and Industrial Relation policies, in your view, too are controlled by the parent company? Could you please give examples?
21. Do you find it any way affecting the Indian management's role in the process of employee participation?
22. If the Indian management want to vastly increase employee participation in this organisation, how would it sort out the matter with the parent management?

23. If the Indian management want to significantly reduce employee participation in this organisation, how would it sort the matter out with the parent management?
24. Between parent company control and employee participation, which would you find more limiting on your discretion?
25. Do you find your willingness to share decision making has anything to do with the quantum of discretion available to you?
26. If the parent management decides to expand participation world wide, how would it get the Indian management to implement it?
27. Does the policy and philosophy of the parent management in one area affect the working of the subsidiary management in other areas? Could you give few examples?
28. Do you think that multinational character of your management has made any difference to the substance of participation process in the subsidiary?
29. How do you justify policies determined by the parent company to employees in India?
30. What kind of information about parent company you do and do not share with the employees?
31. Have you found them interested in any particular kind of information about the parent company?

APPENDIX 6

Dear Respondent,

I hope very much that you will agree to give me an interview in (Months) 1991. Interviews with a sample of managers and employee representatives will constitute the core of my research into "The Management Role In Employee Participation: A Comparative Study of Multinational Enterprises in India and the U.K."

I propose to explore and analyse the differences and similarities in management role in employee participation process in these two countries. The management role will be analysed with reference to its orientation, policy, philosophy and experience. My analysis will grow out of all that you may have told me. I would also be looking into the various records pertaining to the working of different participation forums. However, your experience and understanding would be the flesh and blood of my research. My interviews would last about an hour or little more with each person. Knowing the time pressures on you, I would try my best to stick to the above timeframe. But the more I can get from you, the better would be the research validity. As far as possible, please try to relate your experiences with employee participation processes and institutions in your organisation. During our interview, I will be taking extensive notes and also will, if you give your consent, record our interview as a back-up so that I do not miss out on some of your important views.

To acquaint you with the kind of information I would be looking for, I am enclosing a few sample questions in the first enclosure. I am also enclosing some details about myself to tell you who I am. I can assure you that all the discussions and views will be kept absolutely confidential and your identity will be kept a secret. The data gathered from you is meant for academic purposes only and shall not be misused in any form.

I very much hope for your total cooperation in my efforts and am looking forward to meeting you.

Thank you.

SANTRUPT MISRA

APPENDIX 7

SAMPLE QUESTIONS

1. Are you in any way a part of the participation mechanism of the company? What is the nature of your involvement?
2. What do the managers try to achieve through the formal participation system in your organisation?
3. On what basis do you evaluate the success or failure of participation in any organisation?
4. Have the employees ever demanded more participation in your organisation?
5. Which are those subjects about which management does not share any information with the employees? Why?
6. In what respects do you see an individual manager contributing to the success or failure of participation in your organisation?
7. Does employee participation help managers to be more effective in any way?
8. Are there any attributes or things that give managers a sense of power in their position in the organisation?

APPENDIX 8

About Myself

I was born in Orissa, a province on the eastern coast of India. My father is a Professor, mother a house-wife and only sister an officer with the Union Carbide India Ltd. I completed my schooling in Cuttack and was 10th on the merit list in the final school-leaving examination of the whole state and later I joined the Ravenshaw College. I secured the Third position in Inter- Arts examination of the Utkal University and was awarded the Dr. Bhushan Chandra Bhattacharya Prize as the best I.A. student of Ravenshaw College in 1980.

In 1982, I stood First class First in Political Science (Hons.) examination of Utkal University and was adjudged the Best Arts Graduate of the Year and won two Gold Medals. I completed M.A. in Political Science at Utkal University in 1984 where I again stood First Class First and won the University Gold Medal.

In 1984, I joined the Tata Institute of Social Sciences (T.I.S.S.), Bombay for a second Post Graduation in Personnel Management and Industrial Relations and topped my batch in 1986 to win the National Institute of Personnel Management (N.I.P.M.) Gold Medal. In my student career, I was actively involved in student movement and youth activities, held many offices and won a large number of prizes in literary activities. I was a nominated member of the Senate of Utkal University in 1981.

After a brief stint as the Industrial Relations Officer with a large industrial house of India, I joined as a Lecturer in the Department of P.M. & I.R. at the T.I.S.S. in 1987. I was elected as Vice President of World University Service (W.U.S) India Chapter for the term 1989-91. Now I am doing research on Multi-national Industrial Relations at Aston Business School in Birmingham, U.K. and I am sponsored by the Commonwealth Commission.

I enjoy meeting people, making friends, watching movies, reading magazines and playing cricket.

APPENDIX 9

LIST OF ABBREVIATIONS

ACW	Association Of Chemical Workers
AEU	Amalgamated Engineering Union
AFC	Assortment Factory Committee
APEX	Association of Professional, Executive, Clerical and Computer Staff
BIP	Business Improvement Plan
CBIC	Central Business Investment Committee
DBIC	Divisional Business Investment Committee
CCAC	Central Catering Advisory Committee
CCC	Central Coordination Committee
CMQ	Cadbury Means Quality
CSF	Central Staff Conference
CWQI	Company Wide Quality Improvement
DPWR	Development Of People, Work And Reward
EC	European Community
EETPU	Electrical, Electronic, Telecommunication And Plumbers Union
FAC	Factory Management Advisory Committee
FERA	Foreign Exchange Regulation Act
FMC	Factory Management Committee
GM	General Manager
ICI	Imperial Chemical Industries
ID Act	Industrial Dispute Act
ILO	International Labour Organisation
INTUC	Indian National Trade Union Congress
IR	Industrial Relations
JC	Joint Consultation
JCC	Joint Consultative Committee
LLJ	Labour Law Journal
LWA	Local Working Arrangements
MEP	Manufacturing Excellence Programme
MNC	Multi-National Corporation
MNE	Multi-National Enterprises
MRTU And PULP Act	Maharashtra Recognition Of Trade Unions And Prevention of Unfair Labour Practices Act
MSF	Manufacturing, Science And Finance
MSJCC	Monthly Staff Joint Consultative Committee
MUPS	Manpower Utilisation And Payment Schemes
OECD	Organisation For Economic Cooperation And Development
OT	Overtime
QC	Quality Circle
SHE	Safety, Health And Environment
TB	Team Briefing
T&GWU	Transport And General Workers' Union
TQM	Total Quality Management
UK	United Kingdom
UN	United Nations
USDAW	Union of Shop, Distributive And Allied Workers
VP	Vice President
VRS	Voluntary Retirement Scheme