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THE BELIEFS, VALUES AND ATTITUDES OF
BRITISH TOP BUSINESSMEN CONCERNING
CLASS AND CLASS RELATIONSHIPS, WITHIN
THE FIRM, AND WIDER SOCIETY.

by

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CHAPTER 6

THE VIEW FROM MOUNT OLYMPUS:

Objectives, conflict, consensus and participation
in the firm.

" All our chairmen have been very conscious of the need to move round the company, and to get to see people, and not be a remote Olympian figure."

Retired businessman.

' I have been invited to spend the evening with a Birmingham businessman - again non-public school and non-university - who lives about 40 miles out of the city, near Evesham

He tells me that most executives these days manage to live well outside the city, and I ask whether this is a good idea, since it must mean there is absolutely no out of office hours mixing between management and men. "Here you are," I say, "escaping into the delights of rural England, while your employees have to sweat it out in or around that God-awful city".'

Peregrine Worsthorne: Capitalist
Midlands: Classless Cambridge.

The Sunday Telegraph
June 5, 1977.

THE VIEW FROM MOUNT OLYMPUS6.1 Introduction

The ownership and control debate has continued for some time amongst social scientists, and thus the opportunity to contribute to it that our access to men controlling so many millions of pounds of industrial and financial capital provided, was one we felt we could not avoid.* However to some extent it provided only the preliminaries to our more central purpose which was to examine the picture that our respondents had of relationships within their companies. It is to this we now turn.

We will suggest in the following sections that businessmen heading large companies may hold several images of the firm. For much of the time 'directorates', 'dominant coalitions', 'cliques' or 'cabals' are concerned with resource allocation. As we have seen strategic decision taking, and the resultant capital allocation process, are the most widely accepted concerns of top directors. In this process only a small group at the top of the firm are involved. And for much of the time other groups within the firm, particularly those way down below in middle or lower management, in clerical, routine or shopfloor jobs, can be ignored. The dominant image of the firm is largely that of a compliant mass.

The top businessman has another role, that of communicator to groups outside and inside the firm. Few businessmen deny the importance of this role. However to the extent that businessmen play it, we suggest that it can lead once again to an image of the firm as the 'core company' and the mass. But in this image the core company is not the

dominant coalition, or resource allocators, but a somewhat wider group - those in effect who have access to top management and can be expected to develop a full understanding of the aims and objectives of top management.

Businessmen's images of the firm as compliant, or as being in greater or lesser access to top management and maximum information, coexist with experience of, or at least knowledge of, conflict within the firm. The most obvious of such conflicts is that of the shopfloor worker and management. Such conflict can create an additional image of the firm, one of opposed sides, of 'us and them'.

We do not suggest that such multiple images necessarily create problems or tension within those who hold them. Theories of cognitive dissonance may suggest that conflicting ideas need resolution, and indeed some businessmen are able to make resolutions of their multiple images. However, it seems as likely that others articulate different images of the firm in different circumstances. There are yet still others, of course, whose viewpoint remains wholly consistent, but we suggest they are not the majority.

6.2 The Board and Industrial Relations

As we saw (Chapter 4.) the majority of the businessmen studied here come from white collar backgrounds. In their careers they moved through functions that did not involve them in direct contact with shopfloor workers. Though they

may well have personnel specialists, production directors, or other men with a reputation for an understanding of factory workers on their boards (Winkler (1974) calls these 'one man chains') their personal knowledge may be expected to be slight.

Directors' personal conceptions of their role in the firm leans towards roles which keep them away from operations, and involved with longterm strategy formulation and resource allocation. As Winkler points out this conception of their role provides a justification for lack of contact with all but a select section of the company. In the discussions in the interviews of their responsibilities, industrial relations entered only into the frame of reference of a minority, and then under the guise of looking after the morale and happiness of employees.

Thus our evidence so far in no way contradicts Winkler's (1974) findings. (See Chapter 1.) But to those not so well acquainted with boardroom practice the lack of concern with industrial relations amongst British directors may well seem surprising. For a long time it was the fashion to see industrial relations as a key factor in Britain's economic malaise. Fashions, and understanding, change, of course, and other factors are now as frequently blamed (overtaxation, high government borrowing, low industrial investment). Nevertheless, the concern with industrial relations did

produce a Royal Commission¹, which in turn suggested that industrial relations should be a boardroom concern.

It is thus of some interest to examine the views of the businessmen studied here on conflict and consensus in their firms. All sizes of firm are represented here and all types (except for the nationalised industries) of industry and commerce. And with the spread of white collar unionisation even the City firms do not find the questions entirely academic.

The concern in what follows however is not so much specific issues (such as the conduct of wage negotiation, or trade union recognition) but the general climate of understanding, and of conflict and consensus that is perceived within the company. To quote the metaphor that has been used elsewhere in research (eg. Goldthorpe et al 1968) is the company seen as a football team, with all playing on the same side, or do the top men themselves see two (or more) sides? The question was approached in two different ways in the interviews: first by enquiring into the extent of understanding and acceptance of the directorate's goals within the firm, and secondly by a more specific discussion of conflict in the company. Both trade unionism, and employee participation were also discussed.

1. The Royal Commission on Trades Unions and Employees Associations. The Donovan Commission. Reports of which are published by H.M.S.O. (1968).

6.3 Sharing the Objectives

It will be recalled from the previous Chapter that all the chief executives interviewed were asked to give an account of the primary objectives that their company was pursuing. Beyond the statements about making a profit, looking after employees, serving customers and so on, we were told of plans to reduce borrowing requirements, of investment, of expansion and growth in new markets, and new geographical areas, of new products to be launched and other changes peculiar to the individual company.

Each respondent was later asked : to what extent do groups other than yourself understand and share the objectives you have outlined? And we asked in turn: do all the board? do the majority of management? and to what extent do employees below management? (See Appendix 1)

The results are most meaningful considered in the light of statements by the chief executives, since they have the major part in formulating the objectives. Very few men indeed were inclined to admit that their boards were not either in whole understanding or whole agreement on the corporate objectives. But there were some: for example a few chief executives said that some members of their board tended to think in terms of sales, or technical proficiency rather than profits.

As one might expect there were more who felt that probably much of management would not be aware of the board's objectives. This is not to say that managers

were expected to disagree, but as a number of men said, they would have their own objectives or targets. Similarly employees outside the board would not on the whole disagree with the objectives, but they simply would not be aware of them, or often would not be concerned with them.

The tables below summarise the position. Note that a sizeable minority were unwilling to generalise, or said they quite simply did not know what their employees thought.

Table 6 ,I (a) Answers to question: to what extent do you think other groups in the company understand and share in your objectives for it?

(non-retired chief executives only)

	Yes	No	Don't know	Total Answering
i) Do all the board?				
Manufacturing	48(96)	1	1	50
Service	30(94)	2	0	32
City	19(91)	2	0	21
				<hr/> 103
ii) Do a high proportion of management?				
Manufacturing	27(54)	17	6	50
Service	19(60)	11	2	32
City	16(76)	3	2	21
				<hr/> 103

	Yes	No	Don't know	Total Answering
iii) Do the majority of employees?				
Manufacturing	16(32)	26(52)	8(16)	50
Service	7(22)	18(53)	7(25)	32
City	13(64)	4(18)	4(18)	21
				<u>103</u>

(Chi squared = 10.5, with 4 degrees of freedom, significant at the 5% level)

Table 6 I.(b) (b) Differentiated by the size of company

i) Do all the board share your objectives?

Companies employing:

less than 1000 employees	15	2	0	17
1000 - 5000 employees	20	1	0	21
5000 - 15000 employees	22	2	0	24
more than 15000 employees	40	0	1	41

ii) Do most of the management?

Companies employing:

less than 1000 employees	13(77)	4(24)	0	17
1000 - 5000 employees	13(62)	6(29)	2(10)	21
5000 - 15000 employees	16(67)	7(29)	1(4)	24
more than 15000 employees	20(49)	14(34)	7(17)	41

iii) Do the majority of employees?

Companies employing:

less than 1000 employees	11(65)	4(23)	2(12)	17
1000 - 5000 employees	8(38)	11(52)	2(10)	21
5000 - 15000 employees	9(38)	11(46)	4(16)	24
more than 15000 employees	8(20)	23(56)	10(24)	41

Now it must be admitted that we have forced the chief executives into making very difficult generalisations here. Clearly it is hard for a man to make statements about

what is in the minds of the other members of the board, and how can they tell what thousands of employees understand and think? It is not surprising that some choose not to generalise, and say that they cannot or do not know.

Even so some broad generalisations emerge, there is a greater expectation that groups outside the board will know what the company aims are in the City firms than in industry and commerce. Likewise the larger the firm the less the men at the top feel that they know what men down below them think, and the greater the expectation that lower level employees will not understand or share the objectives. However these variables are to some extent related. The relevant tables are not reproduced here but there is no significant variation between types of owner, or men of different social background, except that all the family businessmen, and all the entrepreneurs, thought that all their board would understand and share their objectives.

More important than the statistics is the actual nature and content of the discussions by the respondents of this question. One should make clear two aspects of these: firstly that when the businessmen say their employees do not know, or share, the objectives they are not implying by this a state of conflict, or a perception by themselves of widespread opposition in the firm. Rather they pictured the employees as being uninterested in the objectives, or

more subtly, only being interested in them to the extent that they impinge on their own lives, that is to the extent the company objectives may affect job security, wages or promotion prospects.

This then is one of several pictures of the state of the firm. The employees below a certain level are presented as being not a conflicting group, nor one necessarily in willing consensus, but as one that is uninterested. Such a picture can take many variations, depending partly on the level at which one defines company objectives; employees can for example be represented as self-centred - tied only by the cash nexus to the firm, and only interested in their wage packet.....

" So far as shop floor workers are concerned, I can only give you a personal philosophy they are not interested at all in whether or not the company makes a profit, they are much more interested in what their take home pay is, and whether that allows them to meet their bills and obligations and keep up a certain standard of living."

(M.D. - small service firm)

" I think when you get below a certain level to be honest, they couldn't care less, so long as they know there'll be 50 quid in their pay packet on Friday night."

(M.D. - medium size manufacturing firm)

or they can be seen as uneducated, unsophisticated, or, unable to comprehend the subtleties of company policy

" Clearly there can only be an understanding of why we're a growth company in those people who are

nearer to the action as it were. When I say that, I think managers do, but the involvement of people in the very fabric of their community would not allow them to have a complete understanding. We try to preach the gospel. The company has become bigger and that makes it more difficult for us to talk to everybody and make sure the message gets through. I think it's more a lack of understanding than acceptance."

(Chairman of large firm, objective-
'profitable growth')

More frequently than either of these, the workers are presented as a group unaware of the objectives, but a group who would share in them if they only knew them. In other words management faces a communication problem.

" I think people do agree with the need for profit - but one can't know - but what else could they think."

(Family businessman - medium service co.)

" We employ 30000 in this country, 25000 overseas. You can't communicate with all of them. My object in doing this is to tell these emissaries if you like to go to base and tell 'em what I've said. And I do tell 'em in some detail. What's in the bank. What the capital expenditure is. They can tell them anything. Also we send out a version of the annual reports to employees and shareholders I wouldn't mind if each man's wife read it. Because I think there's an awful lot of misconceptions about this."

(Q. What about?)

" About profit. And what happens to it. There's still this conception, you know, that there are big fat men lying about the place investing millions, and taking millions out of the business. - I think we've finally got rid of this."

(Q. How?)

"Just by talking to people and getting our managers to talk to people"

(Q. Do you think it's important that workers understand your objectives?)

" Absolutely ".

(Q. Even though you feel there are some things you must keep from them?)

" Well they might not materialise. Why worry them unnecessarily."

(Chairman - large engineering group.)

" Twice a year I get all the subsidiary directors together, and do a briefing with them. Did the company meet its objectives or not - really on my own performance. So those managers certainly understand what (the company) is all about. Beyond that I think there are some people, economists and planners, who understand it, but so far as the line managers go it's too abstract for them. They have more concrete objectives in their own jobs.

" But we have been trying to communicate to all the employees the need for profit and the creation of wealth. The chairman has been on a television film and we produce these newspapers."

(M.D. - family firm)

We may note in passing that these ideas of what employees can or cannot understand, are or are not interested in, confirm the top men in the belief that there is little need or demand for more knowledge or participation in top level decision taking. Put crudely, the attitude is often if they did know what we're doing, and did understand it, they would accede to it, so there's no need to involve them. To this point we shall return.

6.4 A Psychological Boundary in the Firm?

It becomes clear from the interviews, then, that those at the top of large companies expect to have the full

understanding of only a comparatively small group of employees. This is the group that they personally can know. The size of the group in practice may vary - it may be only the members of the board and a few top managers below them, or else it may be the top hundred or two hundred managers. It may also include some staff men, or it may be a larger proportion of management. We said 'can' know, but do not necessarily imply that the man in question does. Rather this is the group which he can, and on occasion may communicate directly with. A group whose names may be marked as being included for top management positions, who may even appear in the annual report in a list of senior management.

It is this group we suggest that the top men think of when they think of 'the firm'. It is this group of whom they are sure, this group from whom they expect consensus on the company objectives, this group to whom the strategies and policies can be revealed. In other words, within the formal boundaries of the firm (or the more variable boundaries of the organisation theorists) a psychological boundary is drawn, and the firm constituted in the minds of the elite which run it. Beyond the boundary of course, they know the firm exists. They have visited its locations, spoken with a handful of managers, shop stewards and occasionally factory workers. Some decisions, say to close a factory, may suddenly bring to their awareness other groups. But it is the core grouping we have mentioned

which constitutes the firm for these men in a day to day sense.

Its existence is revealed in the interviews :

" We ought to be able to motivate the management like the army - straight down the line. But I've never been able to get it down below the third level crust - there's a crust there of real dead ends. People I only see about once a year at some Christmas party or something. The top fifty people I probably saw once a month."

(Retired chairman - large manuf. firm)

" Last year I got the top 150 people together and told them where we are going. And I had them together for a whole weekend a few weeks ago. This is the way we disseminate on broader policies."

(M.D. - large manuf. firm)

" There are senior staff of about 160 out of 30,000 who are the people who have a direct relationship with me. I settle their salaries with top management. I write to them directly on anything of importance that's occurring. We have a meeting not less than twice a year, usually more."

(Chairman - large manuf. firm)

" We have a share option scheme confined to those 35 men who we feel can have a direct influence on policy - but of course the government has made it not worth while I've got 60,000 chaps in this business and if I wanted every one of them to be aware of the corporate objectives, I'd have to send them all to Harvard for a year and then some of them might. And I don't particularly want management to be aware of the central objectives The vast majority of people will make their careers within one division. A tiny minority eventually make their careers outside, and to raise expectations to a level that will not be met is neither kind nor sensible."

(M.D. - food processing firm)

What we are suggesting here may seem strange, but in fact we would go further and suggest it is the way most people cope with large organisations. After all an organisation, and a company even more than, say, an army, is an abstract concept. It cannot be seen, or easily defined. (Is a company a group of men, or a collection of plant and machinery, and offices, or the shareholders? It is of course none and all of these, and all are constantly changing.) A factory worker is liable to regard the factory where he works as 'the company'; head office and other factories are far less real to him, and may be viewed with suspicion. Likewise members of an army regiment may well regard that regiment as the 'core'. Anyone who doubts this should ask himself how, when he comes to think of them, he views the very large organisations of which he or she is a part.

This concept of the 'core company', or the psychological boundary of the firm, is important in understanding how large companies are viewed by those who run them. For example, several men made statements indicating the importance amongst their responsibilities of attending to the morale and happiness of their employees. Yet the same men had or were about to make quite large numbers of men redundant - the act seems inconsistent with the good intentions. The inconsistency does not arise, if one sees that these men were concerned with the well-being of those they regarded as the firm. The decision to regard a small part of the

firm as the firm is an unconscious, not a deliberate one, but it is a useful protective device.

Thus top businessmen see consensus in the core company. Beyond that is unknown territory ('one can't know what the workers think'). To map it they resort to devices which, viewed from the outside, may seem less than satisfactory: reports in the media; the tales of guides such as personnel managers who are thought to have explored it well; or talks with those people they regard as being from the outer regions, but with whom they do have some contact - the hired differentials: secretaries, chauffeurs, waitresses in the directors' dining room. (See Winkler (1974) on this point).

In some cases, one must hasten to add, the firm is so small that everybody is known - in our sample there were the merchant banks and property companies. Here consensus is believed of all but a small minority.

6.5 Consensus and Conflict

Probably no phrase is used more frequently in everyday and media discussions of industrial relations matters than the 'two sides of industry'. The concept generally applies to two potentially opposed, and certainly mutually suspicious groupings. Winkler's (1974) observation that directors exhibit attitudes which are markedly 'us and them' prompted an exploration of this topic in the interviews. The question was usually posed in the form: 'we often hear

talk of the two sides of industry, do you see, or are you aware of, two sides in this company?'

Once again the responses vary greatly according to the type of company a man works in, and to a lesser extent, its size. As one would expect, amongst the chief executives, those in the bigger firms and in the manufacturing sector, were the most likely to see two sides. However there were also a number who either said they simply did not know, or more frequently, that they could not generalise: either conflict was perceived as varying from plant to plant (eg. 'at Aylesbury there's no two sides, at Liverpool there most definitely is') or from time to time. The latter was particularly associated with those who saw the firm falling into two sides for wage bargaining purposes.

Table 6.II (a) Answers to question: do you see 2 sides in your company? (Chief executives only)

	Yes	No	Don't know/ Can't generalise	Total Replying
Manufacturing:	32(59)	12(22)	10(19)	54
Service:	6(19.5)	15(48.5)	10(32)	31
City	6(29)	14(67)	1(5)	21
	<u>44</u>	<u>41</u>	<u>21</u>	<u>106</u>

No answer: 5

(Chi squared for this table = 22.3, 4 degrees of freedom. showing significant differences at the 0.05% level.

Table 6 II (b) Answers to question: do you see 2 sides in the firm? (All chief executives asked)

Tabulated by size of firm.

	Yes	No	Don't know/ Can't generalise	Total Replying
Companies employ- ing:				
less than 1000	4(25)	10(62.5)	2(12.5)	16
1000 - 5000	6(30)	10(50)	4(20)	20
5000 - 15000	9(36)	11(44)	5(20)	25
more than 15000	25(56)	10(22)	10(22)	45
	<u>44</u>	<u>41</u>	<u>21</u>	<u>106</u>

All in all then we see that the percentage who do see two sides in the company varies from 59% of men heading companies in which there is a manufacturing operation of some sort, to around 19% of men heading completely service firms. The insurance sector raises the percentage who did for City firms. A similar variation is found amongst companies of varying size.

Of more interest again however is the reasons that are given for there to be two sides of industry. They can be placed into four broad categories.

1. A group which points to the British class system as a source of divisions penetrating industry as well, or to 'historically entrenched social attitudes', a divisive educational system or misunderstandings by workers of what

happens to profits. In other words conflict at the company level is seen as the result of misguided or misdirected class feeling.

Two quotes may be cited as examples:

" The management and labour - there is always that to some extent. We are fortunate in our industry, we don't have too much of it. We all get a bit removed from it, but I would say it's not really a problem in our industry."

(Q. What's it based on?)

"I would say, a little bit on education in this country. The problems in Germany for example are a great deal less. Certainly it's a bit historic here - they built up from the war. The educational system over there gives people the belief they've all got the same chance to a greater extent than in this country. This is something here, people always feel they didn't have that chance, or their parents couldn't give it to them."

(M.D. - large manufacturing co.)

Another put it very similarly:

" Let me put it like this. The nation is socially divisive, isn't it? And you have to go back to the first half of the 19th century ——— I mean if you're first into the industrial revolution, if you lose your share of world markets, you live with the sickness of the past. And if at the same time you build up a socially divisive public school system you're bound to have 2 sides. But I really think industrial managers are damned and denigrated too much."

(Chairman - large manufacturing co.)

2. A second kind of explanation also tends to view conflict as somewhat inevitable, but here it is viewed as a feature of industrial life, proceeding either from an inevitable tension between the managers of an organisation and those they manage, or from the existence of trade unions. Since unions are regarded as a functional necessity in large firms, these explanations may be grouped together. They are

not usually, an attack on unions as such. A banker put it as follows:

" I think it's almost impossible to avoid some 'them and us' feeling between the managers and the managed, in just the same way as there is an inherent division between officers and other ranks. I think it is impossible to have organisation on the basis of no conflict because people don't on the whole altogether like being told what to do- and I wouldn't have suspected that you would have anarchy if you had a no-conflict situation."

3. A third viewpoint maintains that there are not two sides in the company for most of the time, but that of necessity there is when it comes to wage bargaining. This explanation enables the man in question to both maintain that there is consensus over the objectives of the firm but conflict over the 'sharing of the cake'. As the chairman of a large engineering company said:

" Most days of the year they are on the same side. There are periods and situations when they move to opposite sides of the table and are in negotiating and bargaining situations. But the underlying and continuing factor accepted by both is that management should manage, and management does not always mean doing the popular thing."

4. The most frequent explanation of the two sides of industry however is to regard it as avoidable, an aberation from what should be occurring. Thus conflict may be regarded as the result of large plants, of poor communication by the managers concerned, of militant unionism, or deliberate agitation by politically motivated minorities, and so on. Here are some variations on the theme:

" I come back to the question of size - when you get a large unit, when communication ceases between management and workers, if that's the right word, I always object to the definitions on principle.....

(Q. but anyway it's a question of communication?)

" Yes I come back to the problem of size - I think that in a large company it is bound to be a problem."

(M.D. of medium size manuf. co.)

"There shouldn't be two sides in our group - we've encouraged people to improve their position, and made it possible for them to get right to the top. Let me give you examples. () We don't think in terms of two sides, we're one organisation..... Remember we're not a bit labour intensive, in this company there's only a few thousand of us, and very few on the shop floor. Even those people I meet at the staff dance and have a drink with them. You can't do that if you're employing 200000 people - it's impossible.

(Chairman - medium sized service co.)

" We don't have any of these conflicts - we don't just sit up here and nobody ever sees us. I go round twice a year to all the plants. Up to twice a year. (Management - worker) conflict is not necessary - it's stirred up, by outside forces. The average Englishman doesn't want to upset society."

(Q. You mean union militants?)

" Well I think they're professional stirrer uppers."

(M.D.-small service co.)

" We tend in this country to employ jumped up union men as foremen, who very often are promoted because they are bullies. Most of the industrial problems I've come across in my career have been associated with that kind of management taking an attitude which is not the company attitude at all, it's his own attitude which provokes naturally a reaction from the union men".....

(Q. So it's poor leadership in the plant?)

" I think so, yes, well poor leadership - it's

probably poor communication from the top as well."

(M.D. manufacturing firm,
formerly a works manager.)

Now the first point to note here is that how people explained conflict in industrial life varied according to whether they thought it occurred significantly in their own firm, as the table overleaf shows.

Table 6.III Covariation of answers to questions concerning existence of conflict in the firm, and reason for conflict.

Do you see two sides in your firm?	All	1. Social class, Historical attitudes, educational system.	2. Managers or Managed Unions	3. Wage Bargaining Cash Nexus	4. Communications, Large plants, agitators, militants.	No reply/ Don't know/ Other.
a) Yes	44	15	13	6	6	4
b) No	41	1	1	2	27	10
c) Can't generalise/ Don't know	21	0	0	12	7	2
Total	106	16	14	20	40	16

This very pronounced pattern means that the explanations as to why there are two sides in industry vary both with the size and type of firm a man heads. These are however highly interrelated variables, since outside the City there are relatively few very large firms that have no manufacturing plants whatsoever.

Table 6 IV (a) Explanations for Conflict Related to Size of Firm the Chief Executive Headed.

Reasons for conflict	1. Historical Attitudes, class etc.	2. Managers/Managed, Unions	3. Wage Bargaining, Cash Nexus	4. Militants, Large plants Etc.	All
Size of firm ¹ :					
less than 1001	1(11)	1(11)	2(22)	7(66)	11
1001 - 5000	3(19)	2(12)	4(25)	7(44)	16
5001 - 15000	4(20)	2(10)	4(20)	10(50)	20
more than 15000	8(19)	9(21)	10(23)	16(37)	43

Table 6 IV (b) Related to Type of Company

Manufacturing	10(21)	10(21)	13(27)	15(27)	48
Service	5(19)	2(7)	4(15)	15(58)	26
City	1(5)	2(11)	3(16)	10(68)	16
	<u>16(18)</u>	<u>14(16)</u>	<u>20(22)</u>	<u>40(44)</u>	<u>90</u>

1. Measured by number of employees.

In the above tables we see it is the largest company, and the manufacturing, heads who are least likely to see conflict as caused by communication, large plants, militants, agitators, or similar reasons. These men look to other factors to explain conflict, factors which, to a degree, may be seen as beyond their control. Conflict may be viewed as written into the fabric of the British life: as inevitable between managers and the managed, or where there are trade unions, or else as occurring at times of wage bargaining. However it is only the first group - those who see conflict as due to the British class or educational system, historical attitudes and so on - who would see tension in industrial relations as an enduring feature of company relationships. That is 50 of the 90 (58%) of those giving classifiable answers, would probably view conflict as amenable to good management. A further 20 would expect conflict only at times of wage bargaining.

That the distribution of attitudes has, apparently, some connection with the kinds of firms men work in, is not surprising. Other researchers have after all indicated a relationship between shopfloor workers' attitudes and size of plant (eg. Ingham, 1967, Indik (1963) (1965)) and indeed managerial attitudes and size of organisation (eg. Porter 1962 - 1964). Presumably top managements attitudes and expectations are formed by experience, even if that is somewhat indirect. We have not however found any direct relationships between the personal background of the men who were interviewed and their views on this topic. We did find that 60%

of those with shopfloor management experience saw two sides in their firm, compared to 39% of those without this experience, but the number of those with any such experience is so small that it would be wrong to draw any conclusions from it.

Apart from what appears in the tables, there emerges from discussions on industrial relations an enormous stress on communication.¹ As we have seen employees in the lower levels of the firm, or outside the core, are regarded as being uninterested in the firm's objectives, or unsophisticated in their understanding of them. However if they are told what is going on, especially when it comes to making changes that affect them, then it is felt they will be 'reasonable', that is compliant.

'Communications' arises in more specific ways. Firstly there is one of the most widely held theories of top executives which sees the large plants in which many employees now work as being conducive to industrial unrest. Such a connection has of course been made by social theorists from Marx on, but the businessmen took it further. Ideally the maximum size of an industrial factory, it was often said, was 500, because then the manager could know every one of the employees personally. It was often noted too that

1. This is echoed elsewhere. The C.B.I. apparently has an Employee Communications Unit (See The Guardian, Monday June 20, 1977, p.16). In 1977 this unit issued a 32 page booklet on communications with people at work. This contained 11 key questions which senior managers should ask themselves regarding communication at work.

500 is the size of an Army brigade. This concern with personal relationships may be seen as paralleling the situation of the interviewees themselves, who cannot hope to have personal relationships with everyone in their firms, and in some cases have given up any pretence of doing so.

One should point out that this belief in the desirability of small plants rarely has practical consequences. Those interviewed thought relationships would be better in small firms and in small factories, but with few exceptions, they had sought to expand their firms, and often their plants, wherever it was thought it would generate more profits. Despite the problems it brings, they themselves are controlled by other forces: 'economies of scale' and 'if you don't expand you decline'.

Communications has been given an impetus from another direction. During the period over which interviewing took place, inflation pushed up the absolute value of profits, whilst often leaving the companies concerned no better or even worse off in real terms. But in time of wage restraint, and a Labour Government in power, such profits are vulnerable to attack. Hence there has been a widespread campaign to inform employees of the need for profits, and the uses of them. The message however is put across by indirect methods - advertisements to the public at large, company newspapers, or simplified versions of the company reports. The author left interview after interview clutching such documents - evidence of the chairman or managing director's

earnest desire to communicate. Early in 1977 in fact there was a competition for the best set of annual reports for employees - it had 200 entries¹.

6.6 Multiple Images of the Firm

A man's image of society is often taken to be a partial reflection of his view of the relationships in the work place. Thus a tendency to label all bosses, and authority figures as 'them', to be contrasted to 'us', amongst manual workers has been taken to be a reflection of workplace relationships on the one hand as well as an indication of an embryonic class consciousness.

In practice the position is found to be more complex, and in the case of top businessmen we will maintain it is very much more so. Businessmen as a group did not show any single view of the firm. Quite possibly the position they adopt is contextually variable. For what was not verified was Winkler's (1974) statement of directors that 'their attitude as revealed in everyday behaviour was very strongly 'us' v 'them' or an extreme form of the pluralist conception', even though much of the rest of that paper appears quite believable.

Certainly there are some businessmen who take the

1. Reported on BBC Radio Four's Financial World Tonight.

attitude that trade unions are now so strong that their members are well protected, and that top managers must pay their attention to middle managements. Taken further by a few businessmen this can be cited as a 'them and us' viewpoint. Here is one such statement from one of the relatively few men who has his office on the factory site:

" We employ getting on for 20,000 in the U.K. One is very conscious of the fact that these people's livelihoods depend to a degree on how we function. We're a bloody sight more aware of this than they (gesticulates out of the window) seem to recognise. You know I don't think they think that we care. But we do care. You know a new order means continuing work for them, and profit for us. So a double thing."

This man says most of his workers care only about their wage packet. But it's difficult to generalise. Many are Asians, it's hard to communicate with them. And in one division, where most disputes occur, there are "people who are determined to wreck the joint". He expects a 'we and they' attitude from the workforce:

"Why, I suppose because they see me driving home at night in a Jaguar, and they've got to catch the bus."

Yet this man is unusual, both in his physical proximity to the workforce, and because his largest division does have particular labour problems. In many cases the size of companies, and the separation of the directorate from the labour force allows for more inconsistent attitudes, for multiple images of the firm. A summary of the evidence from this chapter allows us to trace these.

The primary image of the firm, and of work life, we saw, is that of the company as a core, a willing management and an uninterested mass. This is the reflection of the chairman and managing director's central concerns for much of the time. These men are concerned with strategy, policy, resource allocation. For these purposes they work with a group that may vary from a few to two hundred top managers. Some of this group they see, they know of them by name and their careers. They may gather them together to tell them of the ruling coalition's plans and objectives for the firm. If bargaining goes on over strategy, it is within the coalition, or to a lesser extent within the core company.

Beyond the core the interviewees do not expect understanding of company's aims and policies, except very broadly the need for investment and profit. The expectation however, is of compliance, and of order. Operations are assumed to proceed smoothly, and the larger the firm the more justification the top executive has for delegating operational control, and industrial relations matters.

The conception of the firm here may to an extent be called 'unitary' as Fox (1966) described it. Certainly managers do believe that the interests of all unite in the long term success of the firm and Fox was right to draw attention to the military metaphors of the firm, since to the extent that businessmen used any metaphors for the firm these were the most common. However, as we saw in Chapter 4, there may also be a more pertinent reason than any overt.

expectation that the firm should be controlled like the Army. That is that for a number of men the Army was their first, and for some, their most important experience of man management.

Thus we were told often that a factory should have less than 500 men, the size of a battalion in the Army. On the setting of objectives that 'one would not expect a lance corporal to have the same tactical objectives as a battalion commander', and on employee participation: 'the General has to decide if he is going to advance on a broad front - he consults his brigade commanders, the platoon sergeant consults his platoon'. In the company, like the Army, there are officers and men. But in the factory 'the foreman is more powerful than the works manager because he is the sergeant major of the Army'. Yet the rank of the foreman proved difficult to fix, sometimes he was a warrant officer or a lieutenant, sometimes only a sergeant or corporal.

However, businessmen's images of their firms are more complex than this. Industrial troubles over two centuries, and a hundred years of trade unionism cannot be ignored. A majority however regard conflict within the firm as avoidable - due to such factors as poor communication, large plants, misguided militancy and so on. Those most prone to experience such conflict, however, are more likely to view it as something beyond their control - the result of British class attitudes, of history, of the educational system, or else as sporadic and associated with wage bargaining.

It is plausible that when confronted with opposition or conflict from below in practice top businessmen take up somewhat harder attitudes. They may see misguided, misinformed or ignorant workers as harming their pursuit of their strategic plans, or else presume that lower management has failed in its job. This too may result in seemingly inconsistent views of shopfloor or other lower grade workers. Catch businessmen at different times, or in different situations, and they may be found using generalisations or stereotypes of workers which may even be downright contradictory (cf. Winkler (1974)).

In all this Fox's 'pluralist' ideology in practice seems rather rare. That employees at all levels have their own rights and interests which have to be reconciled is certainly accepted. But there seems no enduring desire to view the firm as a set of competing coalitions. Rather conflict is seen either as a failure (which is the unitary point of view) or else is just sporadic, or out of the businessman's hands. To the extent that competing interests are recognised they are so only within the context that maintains that all share the same long term interest. Indeed Fox himself makes a similar point in his more recent writings (1973, 1974).

6.7 Issues: 1. Trade Unions

In the light of what has been said it is worth considering briefly how, and why, top businessmen react to

more concrete issues. For brevity we summarise only the general run of big business opinion on these, attempting to relate it to what has gone before. Firstly - what about trade unions: are they necessary, who should join and why?¹

The basic position of the majority of top executives may be said to be one that accepts the principle of unionism, and accords them a legitimate place. This we saw also in our review of the literature of business ideology in Chapter 1. Businessmen's images of the firm reveal clearly what they expect the role of the unions to be. Unions should accept that in the long term all have a vested interest in the success of the firm, and that the pursuit of profit is in the interests of all.

Granted that unions do this, (and the onus is expected to fall on their leaders) then unions are accepted as legitimate. More than that unions are accorded a definite purpose, a function, by businessmen. Unions are desirable, it is held, for all groups where one could not negotiate directly with every person individually.

This definition of the purpose of unions has several advantages. Firstly the principle of a union is accepted without there being any hint that employees need protection, or gain more, by being part of a collective body. Rather the arrangement is presented as one of convenience

1. For a detailed breakdown of answers on this topic see Fidler (1974).

for both parties - top management and employee. Secondly the limits of a trade union's interest are clearly defined: bargaining on wages and conditions in lieu of top management meeting each individual. Other issues - consultation and participation, especially where it could impinge on strategic planning, can be defined as outside a union's provenance. Thirdly, at a time when unionisation has spread beyond groups other than manual workers and may well go on spreading, it makes sense of this phenomenon by defining just how far unionisation should spread.

Thus one should expect resistance to trade unionism per se to be strong only in comparatively small firms. But in larger firms there is a point in the managerial hierarchy at which those at the top feel unionisation would be undesirable. Unionisation should stop some way below the level at which those at the top can know and negotiate (or settle) salaries and conditions on an individual basis - in effect we return to the core company. As to actual negotiation with union leaders, company policy no doubt varies considerably, some firms liking to handle all such negotiations at the centre, others preferring to negotiate on a plant by plant basis. But those at the very top, one suggests, are unlikely to concern themselves with such matters - their task is strategy.

6.8 Issues: 2. Employee Participation

Businessmen's images of the firm are reflected

also in their views of employee participation. If we consider the widely canvassed idea of putting shopfloor and other workers on the board then the responses of those interviewed are not surprising. Since the company for some purposes is seen as a core grouping of those who are interested, informed, qualified and trusted to participate on strategic issues, and a mass who are none of these, then the idea of putting a few workers on the board can be seen as pointless. (And indeed there is a relatively low level of support even amongst some trade unionists for the idea). Alternatively the idea of a balanced board, or one with a majority of employees, can conjure up quite a different picture of relationships in the company and the idea will be regarded with great apprehension. From one point of view putting workers on the board serves no purpose, from the other it is seen as turning the boardroom into an arena of conflict and debate, which, from such accounts as we have, it is not. In the words of the chairman of the largest firm in this study: "If it's a minority of workers it's a waste of time, if it were a majority it would be a disaster."

However employee participation can take many forms, and businessmen often express themselves responsive to, or advocates of, calls for greater participation. It is however of interest to explore the limits that are put on this, as they appeared in this study, and to do so we set out first our own definitions of four related concepts.

We recognise that our definitions are not the usually accepted ones. We take:

(a) Industrial Democracy to be a system in which either the workers of productive enterprises own them and elect representatives to run them, or by election or other voting procedure elect the management, or run the enterprises through periodic meetings. In such systems the employees as a group control the enterprises, though they may not own them; they may partly own them, or the state may own them. Into this group would be placed the Scott Bader commonwealth, worker cooperatives, and Yugoslavian enterprises.

(b) Employee Participation is a system in which by some means or other workers have some say in deciding how decisions are to be taken, ^{or} are present at discussions or meetings at which decisions are discussed or taken. Into this category would be placed all systems in which some workers sit on the boards of enterprises but cannot ultimately control them. This would include the proposals of the 'Bullock' (1977) committee.

(c) Consultation. By consultation in this context we mean a process in which before management takes decisions it asks the views of interested parties, by informal means or through formally constituted bodies. But in a consultative process management reserves the right to take decisions, and to decide over which issues it will consult.

(d) Communication. A process in which management tells people what it is doing, and why, and sometimes what it is going to do.

Clearly there is no clear demarcation line between these concepts. Each level shades into the one above. But these definitions may be helpful in what follows.

To sum up the attitudes of the interviewees as a group one may say that virtually all believe strongly in the virtues of communication, and that businessmen are making greater efforts than they have done in the past to communicate. There is some belief, but it is not so widespread, in consultation, and where it exists it is firmly held that 'people should be consulted over the things that concern them'. The businessmen interviewed did not appear to favour participation, and they did not feel there was a demand for it. They certainly did not conceive of industrial democracy as being desirable or practicable as it has been defined above.

Again these conclusions are in line with what has been said in this Chapter. But in discussion it was found that the phrases, industrial democracy, participation, consultation, involvement and communication, were used so interchangeably by top businessmen that almost no systematic analysis of the type used elsewhere is applicable to the discussions on the topic. More than anything, this illustrates the problems of the content analysis, especially if one wishes merely to count words, for the meaning of words can be deliberately altered by those who use them. One doubts that the muddle is completely accidental : by

seeing participation as consultation businessmen can declare themselves in favour of more of it, without committing themselves to anything that would restrict management prerogative. The CBI evidence to the Bullock committee reflects this, at one stage for example, they state that

'A fundamental principle, therefore, on which proposals for greater employee involvement in company affairs must be based, is that participative arrangements must be designed to fit a company structure, and not vice versa'. (Department of Trade and Industry (1977) P.30).

In the next paragraph we see that the participative arrangements refer in fact to consultative agreements, and we are told the CBI favours this approach. Later the CBI spells out its options, and the committee themselves follow the semantic confusion now generated by their statement that:

'The CBI believe that the main focus of attention at present should be below board level participation. What is needed in their view is a gradual organic development of industrial democracy from the shopfloor upwards'.

Of course the confusion of words is not confined to the CBI, or businessmen, but it is convenient for them. The minority report of the business members of the Bullock committee expresses their views well. The Board is seen as

the 'apex of a company's management team' (not as it is elsewhere a group arbitrating on and judging management). Employee representation on such boards would be disruptive, dilute management expertise and introduce collective bargaining to the boardroom.

Crucially too of course the minority report opposed the putting of trade union representatives on boards. This must be seen as one of the most problematic areas of the majority report, and in the discussions of employee participation (which occurred before the publication of the report) director after director pointed out the iniquities of having only trade union members and not all employees represented on the board. Indeed, there were only two men who were in basic agreement with the TUC's 1974 suggestions.

Altogether it is clear, and the minority report to the Bullock Committee makes it so, that businessmen are opposed to any diminution or dilution of management power. However it would be wrong in saying this to leave the impression that British businessmen's efforts at greater communication or consultation were not genuinely meant or serious. We believe that they were, and although there is still a contrast in the methods used to communicate to top managers (calling all the top x together for special briefings) and those used for other groups in the firm, which tend to take the more indirect form of company newspapers or special versions of the annual report, they do spring from a genuine conviction that people want to know more

about what is going on in the company. (The use of TV films, or elaborate systems of briefing groups are attempts to go further than the indirect methods).

It was a belief of many of those interviewed and likewise expressed in the minority report, that consultation needed to start at the bottom and be about issues that concerned shop floor workers. It would be no use, it was felt, simply taking workers from the shop floor and moving them to the top of the company. And certain firms had gone a long way in trying to extend consultation from the shop floor upwards. Such systems begin of course, with the works council, but on top of this some firms had, by their chief executive's account, developed either regional councils or councils for subsidiary firms to which delegates from the lower councils were sent. It would be wrong to deny the good intentions behind those moves, or that they were regarded by the chief executives themselves as significant and important steps in trying to improve relationships within their firms.

6.9 Summary

We suggested that top businessmen of large companies may operate with multiple images of the company. The most frequent consequence of the top businessmen's views of the firm is the contrast between the 'core' company and the mass. The core may be thought of as relatively well informed, involved, personally known to the directorate and trusted. There is ignorance of what the mass of the company is like. They are assumed, in the absence of other evidence, to concur with top management's objectives, to be compliant. Images of groups outside the core - of shopfloor workers, or clerical workers - may be culled from a number of relatively indirect sources, and may invoke or involve various stereotypes - of differentials, of workers tied only to the job by their wage, of union members, of militants who are politically motivated, of 'decent chaps'.

Different images may be invoked in different situations. The firm may be a hierarchy to some, or a series of concentric layers to others, or it may be a series of 'them and us' relationships: of 'resource allocators and others' - the 'core firm and others', 'managers and others', 'non-union members and others'.

Only a minority of those heading firms employing more than 1000 expected their ordinary employees to understand or share their objectives for the firm. But

equally, only in manufacturing companies, and the larger companies, did a majority clearly feel there were two sides in the company, though quite large proportions were unsure or unwilling to generalise. Explanations for conflict seem to vary with both the type of company a man works in and the size of the firm, but the largest group among those interviewed felt that conflict could be avoided but for the communication problems engendered by such factors as large plants, or the work of agitators and misguided militants. And another sizeable group of respondents saw conflict as sporadic and related to wage bargaining.

We have tried to show that the businessmen's attitudes to their firms, and beliefs about relationships within them, were related to their attitudes to trade unions, and employee participation. We do not see businessman's attitudes to the firm as being of a 'pluralistic' kind, that is of regarding the firm as a set of coalitions or groups with their own distinct interests. And correspondingly we see their attitudes to unions and participation as pragmatic, as attempts to give a functional place to unions and participative arrangements within the framework of an (assumed) consensus in the company.

In the next chapter we turn to look outside the company and examine businessmen's views of society more

generally, and specifically their views of social class and social status. Businessmen's views of their firms as ordered hierarchies, of a 'core' grouping, meeting and discussing centralised policy, of an informed elite and a compliant mass, might suggest a similarly elitist view of society. As we shall see, in terms of social class or status this does not prove to be the case.

CHAPTER 7

NOT A SOCIETY PERSON, NOT AT ALL SNOOTY:

BUSINESSMEN'S VIEWS OF CLASS AND STATUS IN BRITAIN

"Back in my hotel, I wait at the crowded cocktail bar for my trade union guest, who is immediately identifiable since he looks so different from the other clients, mostly businessmen. I had vaguely expected him to look different, but not quite so startlingly.

"His clothes are presumably bought from roughly the same outfitters as those of the others, but he wears them as if they are his Sunday best, and instead of strolling into the bar nonchalantly, steps in tentatively as if entering strange and rather alien territory

" When the waiter comes to take our luncheon order, there is a bit of difficulty, since the menu rather baffles my guest, who is clearly unaccustomed to its fancy dishes. But he is not in the least bit embarrassed; nor is the waiter at all snooty."

Peregrine Worsthorne: 'Capitalist Midlands, Classless Cambridge.' The Sunday Telegraph, June 5, 1977.

"I'm not a society person. If it were not for my job I'd be completely unknown Many of us could read of some high junketing at some high place in the papers without recognising any of the names of the people who attended or knowing who they were or what role they had."

Merchant banker; interviewed, June 1974

CHAPTER 7

BUSINESSMEN'S VIEWS OF CLASS AND STATUS IN BRITAIN

7.1 Introduction

Drawing on our discussions with 130 of Britain's top businessmen we have examined how businessmen perceive their role in their own companies (Chapter 5), and the aims and objectives they hold for these companies. We have discussed too their perceptions of relationships within their firms, (Chapter 6). In this chapter we turn outside the company and ask how businessmen see the society in which they live. We are concerned here mainly with social class and social status; though relationships of power can never be kept wholly separate from such discussion. We look again at power in Britain as businessmen perceive it, in the next chapter.

We discussed at some length in Chapter 2 the problems associated with investigating images of society. We pointed out there that they were likely to be even greater in the case of businessmen. We suggested there that businessmen are a group which conceivably has diverse experience and background; whilst being a group that shares a common occupational position and the concomitant roles that go with this. They can also be considered to be split by one major structuration of class; that of owning or not owning capital on a large scale.

Thus, depending on one's viewpoint businessmen are part of the ruling class, or some businessmen are part of the ruling class; alternatively they are a high status group, though again, perhaps, one with far-reaching power. These conceptions all bring similar difficulties: for example, how does one expect a privileged group in a capitalist society to view its own position? To accept the existence of itself as a class or high status group is to accept the possibility of class opposition, or public disavowal of that status. To consistently deny the existence of class or status or community in any sense may be to destroy the basis of group cohesion on which the continuing privilege and power of the group may to some extent depend. It is to this and a number of related topics that this chapter is addressed.

7.2 Outline of this Chapter

In practice, and to some extent in contrast to the other data, the data relating to businessmen's images of society proved difficult to analyse, and we have been led to approach it from several different angles. It may be helpful therefore to give an outline of the course of the analysis.

We begin by describing the methodology adopted in the interview (7.3). We then attempt to give some idea of how the businessmen we interviewed discussed social class by describing and commenting on just one interview (Section 7.4). We then describe the range of answers received from our respondents in terms of the number of classes they see (7.5);

the criteria on which they divided one class from another (7.6); the way in which they saw the upper class or other high status groups (7.7); and the positions to which they assigned themselves in the class structure (7.8).

In sections 7.9-7.11, we break off from our overview of the interviews to discuss one specific aspect: that is why businessmen conceive of only a small upper class; which in turn is not seen as a ruling or governing class, and to which most of them do not consider they belong. We consider it important to consider these topics in order to understand the ways and limitations on the extent to which elite groups in advanced industrial societies can develop consciousness of their elite status and cohesion in action.

In 7.12 we make a comparison of the 'images of society' held by top businessmen with those discussed in other sociological research in Britain. We then attempt to account for the variation which we observe amongst the viewpoints of businessmen in our own sample (7.13): in particular we compare 'capitalists' (family businessmen and entrepreneurs) with 'managers' (or bureaucrats). We also make similar comparisons between groups using more complex measures of family background.

However, our attempts to analyse our data statistically, it should be said in advance, did not prove successful. We conclude that this kind of analysis is unlikely ever to be successful. Although one can find distinctive reactions amongst some small groups of respondents, the majority construct their images of society by drawing together certain well worn ideological themes with their own personal

experience. In section 7.15 we analyse the distinctive discussions of social class that took place with four groups of respondents: firstly, men we call 'sociological sophisticates'; then those men who had been highly socially mobile; thirdly, the traditional upper class, and lastly a group who consider themselves to stand right outside the British class structure.

In section 7.16 we discuss six themes that recur throughout the images of society of businessmen. And, in 7.17, by way of conclusion, we ask whether businessmen's images of society are indeed 'status models'; we suggest that they are to no greater extent than are those held, for example, by manual workers, but that businessmen's desire to de-emphasize social class in society prevents them developing a class consciousness in the fullest sense.

7.3 Methodology

It was assumed, and in a number of cases this proved correct, that businessmen would not be keen to talk about social class. Therefore as will be seen from the interview schedule (Appendix 1), unless it arose spontaneously it was usually the last major topic discussed. In practice, something around the last third of the interview would be devoted to it. The topic was raised via an introductory statement of the form: 'People talk of there being classes in British society - what is your own view of this?' A series of prepared and spontaneous questions were then used to follow the topic up. In a minority of cases the topic arose naturally in the course of discussion, and was followed up as soon as

it was possible to do so. Occasionally a statement reported in the press by some public figure (for example, statements by Jack Jones of the TGWU, or Chancellor Schmidt of West Germany) could be used by way of introduction.

Nevertheless raising the topic in a substantial minority of cases appeared to cause a certain amount of tension, and unease in and respondents. There is no way of knowing, or quantifying, how strong this feeling was, but it was clear that it existed, and that it was felt most strongly amongst those born into a high social status grouping (e.g., hereditary peers) or at the other extreme those who had experienced some significant social mobility.

Tension manifested itself in a number of ways: a small group indicated their annoyance; and three, after making rudimentary answers, stopped the interview at this point. (One of the three said: "Why are you asking me this, you're writing a Fabian tract, I'll shut up.") Others asked the purpose of such a question, or stated their doubts about the relevance of it to other sections of the research. Again, men who had been quite articulate and keen to give their answers on other topics, would 'dry up' or have to be coaxed through the discussion on class.

Contrastingly, there was a small group who were willing, or positively eager, to talk on this topic. These again included some of those who had experienced high upward social mobility, and those men who were foreign born.

Despite the problems, once the topic had been broached, and it was clear that the interviewer was not going to engage in political rhetoric, or 'put one over' the respondent, a reasonable amount of questioning covering the existence

of social class, of the factors determining it, of social mobility, and of differences of wealth was managed.

The reasons behind the tension that a discussion of social class and status creates, appear to be:

- a) The reaction of any high status group when the question of its status is raised. As we shall see class for most respondents is a matter of the status system, not only of objective relationships. Even so, simply raising the issue is to raise the whole system of inequalities in society, and to confront the group in question with the possibility that its position is not legitimate. Most resented by the businessmen was any implication that their position in the company was not earned, and one of the most frequently volunteered statements was one to the effect that there are 'men of all types on our company board'. Thus one might expect any high status group (e.g., the aristocracy) to react similarly to the question. However, it was easy enough to ask about 'the establishment', which is essentially regarded as a legitimate power grouping, and presumably carries less the implication that one is a member through privilege of birth.

- b) A second reason would seem to be that raising the topic of class to some extent deflated the role of the businessman in the interview situation. This might be described as 'experienced businessman informing naive university researcher'. Businessmen are not experts on social class, and do not pretend to be, but one or two clearly suspected the researcher was testing their knowledge against his own. Thus at one stage one

man said: "Well, I'm no sociologist, which I guess you are . . ." and another, speaking of the distinction between the middle and working class, said: "The distinction between the middle and working class has been eroding far more slowly than I expected it would, or than it has in younger countries. There was a Cambridge study some years ago of the town of Luton - was the extra money that people were getting there turning their aspirations into middle class aspirations and attitudes, and the answer was by and large, no. They were moneyed but the same, rather than joining a higher grouping. . . . This is not a subject I can talk on with any confidence."

c) A third reason appears to be that although the British are highly status conscious it is not the 'done thing' to talk about it. Class or status may also depend on a range of indefinables, such as accent, and the right school, rather than say earning power, and thus be difficult to put simply into words, other than phrases such as 'he's not one of us'. Equally the British may so frequently have been accused of being class conscious that they are unwilling to make overt reference to it.

d) Finally, it is clear that to businessmen the very semantics of class imagery are associated with the political left, and thus to raise the issue of class can be seen as raising a political attack. This is most clearly seen in the case of the phrase 'working class'. The businessmen frequently objected to this, because of its implications that there was a class that did not work. In their own descriptions of

society they would quite often refer to 'those who work with their hands' or to 'artisans'. A number asserted that they worked far harder than any manual workers, at least in their own firms, and others told me of a CBI study which, apparently, showed that a large section of shopfloor employees thought that directors got all the company profits (i.e., by implication were a leisured rather than a managerial class).

7.4 How Businessmen Spoke of Class

The majority of sociological accounts of perceptions or images of class consist of tables of percentages, or labelled pictures, that sum up the patterns that were found amongst a group of respondents. (Exceptions are Nichols (1974), and Lane (1961)). We utilise the same methodology here but hope also to convey to the reader the style and content of the interviews: the words the respondents used, their phrasing, the ambiguities, and the points they were keen to make. As in previous chapters, therefore, we include a number of verbatim extracts from the transcripts.

But, in order to give an overview, we begin by following through just one interview. Whilst every interview was different, this one is fairly typical of a certain kind of respondent, who is neither part of the aristocracy, but neither can be said to have had to struggle to achieve his position in his company. He is classified in this study as a bureaucrat, but his father was in fact the managing director of the same company before him. He had a minor public school and Oxbridge education.

We begin at the stage of the interview at which the subject of class was first raised.

(Q: I would like to ask your views on some more general social issues, and begin by asking: people talk of there being classes in British society. What is your view of this?)

"There certainly were, and - there still are to some extent - a class society is merely another way of saying somebody lives in a somewhat different manner, has different methods of leisure, ways of behaving, sometimes different ways of talking. In so far as there are still differences of emphasis, yes, there are still classes."

(Q: You say there were, and still are . . .?)

"There were and still are, but whereas in the past such differences were remarked upon, or were noticed, or did in fact cause a division - nowadays although those differences are still there, though I would have thought in a less marked degree, people are not anywhere as concerned about drawing the lines as they used to be."

These statements were typical of those encountered: class is accepted as existing, but the lines of demarcation are said to be 'blurring', or people are at any rate 'less concerned' about drawing them. Class is seen primarily as a difference in life style. The interview then continues:

(Q: How many do you think there are?)

"Difficult to say. I think I know what it was in the thirties. The so-called upper class, middle class divided into two, and then I suppose you had the so-called lower or working classes."

(Q: Do you still see an upper class in British society?)

"In some respects there are certain people who seem to have the same kind of attributes as they did in the thirties. I think they're possibly fewer than they were. There do still seem to be a few around."

(Q: Well, what sort of people are there?)

"Well, take the Marquis of Bath."

(Q: I don't know the Marquis of Bath.)

"No, nor do I. I would suggest some of the big landowners and the country house chaps. Well take the Duke of Devonshire, I suppose - no, I'm not one of them. I'm not a big landowner and I'm not a country house chap but they have existed in the thirties and they still exist."

(Q: This remnant of the aristocracy and the landowners?)

"Yes, the remnant of the aristocracy."

(Q: But you don't see yourself coming into this section?)

"I don't think we've ever come into that category."

(Q: Even though you're the head of a large company?)

"Yes."

Again statements such as these were often encountered. The upper class still exists but is shrinking, and the man in question disassociates himself from it, for the upper class is the aristocracy. In the next section the respondent suggests certain other recurrent themes: class is not based on income as such, but there is a line between manual and white collar workers because the former rarely move up into the ranks of the latter.

(Q: This division - the working class and the middle class - does that still exist?)

"Yes. I think that exists really rather more than the other one still. They've diminished. They're not helped by chancellors redrawing the lines."

(Q: How?)

"On cash - anybody over £8,500 a year."

(Q: You think?)

"It's divisive."

(Q: Would you draw it at £8,500?)

"You can't draw the line on salary, because the young people get less than the older ones, - I don't really draw the line nowadays very much. Though there is still a line because the employees on the works - the manual workers - rarely get through into the managerial class as it were."

(Q: They're unable to make this transition?)

"They don't seem to make this transition. Whether they're able to or not I'm not sure, or whether they're even given the chance to do so, I'm not entirely sure."

(Q: Is it them or their children you'd expect to find coming through into the middle class?)

"I'd expect their children to."

(Q: Do you think they will?)

"I do. I expect their children to be a very different kettle of fish and that the lines will become more blurred. That's the hope."

The above extract has one slightly unusual feature: the man in question is aware that employees from the works rarely 'get through into the managerial class', but he professes himself as unsure whether they have the ability or whether they're even given the chance'. He apparently regards this aspect of company life, of giving people the change to make 'the transition' as outside his knowledge or responsibility, (he is chairman of the main board). He then professes his hope that there is now greater social mobility between generations. In the final extract he reaffirms the importance of education, and points out that some of the directors on his board did not go public school; but he evades the question of whether there is equality of opportunity.

(Q: It is as easy for the son of a manual worker as it would be, say, for your own son?)

"Well, it's much easier (than it used to be) - with the education system. Oh no, it wasn't as easy in the past. Your education prevented you. And you weren't given that opportunity if you hadn't had that education."

(Q: It does appear that a majority of the directors of large companies have been to public school. Is this simply the result of this?)

"Yes, - I suppose that's true. I'm told it is. I certainly did. There are one or two directors on our board who didn't go to public school. There are two who pushed themselves up with really poor education. If they can do that with that system they're really good people."

In order to analyse the interviews it is necessary to make some categorisation of them. By way of example the respondent above would have been classified as having a three class model of society: upper, middle and lower or working. His own position by inference is middle class; and the upper class is apparently seen as being the aristocracy or large landowners. The differences between the classes are seen as being mainly differences of lifestyle and taste; but occupation and education are referred to as being respectively indicators of class and important aids and barriers to social mobility. This again was typical: it was particularly difficult to segregate the signs of class from the causes of it as they were perceived. We now turn to an analysis of the sample taken as a whole.

7.5 The Number of Classes Perceived

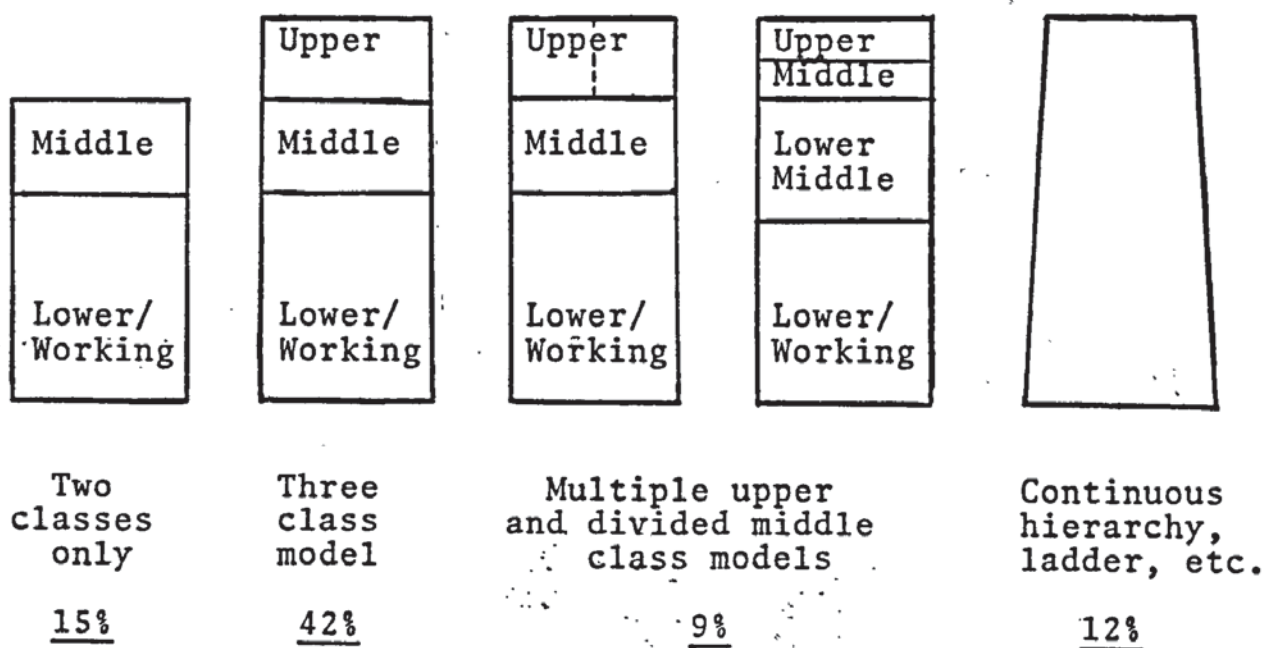
In looking at the businessmen's accounts of class in society we look at four different aspects in turn: the number of classes which they perceived, the criteria on which they base their separation of one class from another, the existence or not of an upper class, and their own position within the class system. We discuss these in turn.

Of the 130 men interviewed just four denied the existence, so far as they could see, of a system of stratification beyond the 'objective' gradations of income or wealth. Fifteen men, though they were willing to discuss the topic, spoke in such ambiguous terms as to make it impossible from the resulting data to work out what picture they had of stratification in Britain. Sixteen of those interviewed

presented society as a continuous hierarchy, or social class ladder, or in the words of two respondents, a spectrum.

The remainder - 95 - of the 130 (73%) were aware of class as a system with discontinuities. Ten men did not precisely define the number of classes. From the remainder of the answers, however, it became clear that a single major division of class/status is seen as dividing society. Respondents might divide off further an upper class, but this was invariably seen as relatively small. Further divisions of the middle or upper classes might be made to give four, five (or in one case) six classes, but these were refinements made by a minority. In other words the class view of the majority can be pictured as one of the following variations of the same theme:

Table 7.1



(Pictures drawn by author, not respondents)

Classes, but no clear picture:	8%
Class denied (4 men):	3%
Answer not classifiable:	11.5%

It can be seen that the three class model is the most frequent single image, and was given as their image by 55 of the 111 (i.e., half) who clearly perceived a stratification system.

And in many respects the models with multiple upper classes are not very distinct from the more straightforward three class models. Thus the respondents fall into three groups: firstly, those who see two major classes, those who see basically three, and those who see not classes but a continuous hierarchy. As an example of the latter there was the insurance company director who said:

"Yes I do. (see classes) These days they're largely economic. I think the hereditary aristocracy as part of the class system well I suppose it still exists, but it doesn't seem to me very important in the total context I think this (social class) is particularly evident in housing. If I think of the area in which I live, which perhaps is not typical, and perhaps is unduly class conscious, there are quite distinct, sort of economic groupings of housing - ranging from council houses up to the largest detached mansions standing in several acres of ground. This is a very obvious form of economic stratification."

(Q: So the old terms, working class, middle class, upper class have lost their meaning?)

"I would have thought so to a considerable extent. You can still fit stereotypes in any of these classes but I think the dividing lines which used to exist are much more difficult if not impossible to define."

7.6 The Criteria which Separate Classes

The second aspect of businessmen's images of society which is examined here is the factors which they saw as creating or forming class, and which could be indicators of a person's

class. A whole range of personal attributes which might create social divisions were mentioned, but six occurred with particular frequency. They were: income/wealth; education; occupation; differences of attitudes and values; ability/intellect; and hereditary status or family background. Far less frequently mentioned, but of some interest, is holding power or authority in society and mention of these is included in the table below. It may be noted that occupation here refers most often to a distinction between manual and non-manual workers. In referring to education some respondents mentioned the public school system, or private schools generally; others referred to the level of education that people had achieved.

In addition to these respondents referred to a diverse range of other attributes including: joining a trade union or not joining; housing; manners; lifestyle; leisure interests; accent; 'who you mix with' and 'who you vote for'. However, these lesser criteria were almost invariably mentioned together with at least one of the six main ones (1-6) which we show in the Table 7.II, p. 390.

It will immediately become apparent from the following table that the majority of respondents who gave any basis for class would mention two or more criteria.

This is exemplified by the chairman of a small, predominantly service family firm; who was a hereditary peer, and educated at Eton and Cambridge. Asked the standard question on class he replies: "Good Marxist theory and all that?"; and after further prompting, leading to 'do you see classes in

Table 7.II The Basis of Class

	<u>All</u>	<u>Chief Executives¹</u>
Total number of men interviewed	130	90
Number whose answers can be classified	112	77
Number seeing, as basis of class:		
1. Income/wealth	36 (32)	26 (34)
2. Education	50 (44.5)	34 (44)
3. Occupation	40 (36)	26 (34)
4. Attitudes/values held by members of different groups	35 (31)	24 (31)
5. Ability/intellect	16 (14)	9 (12)
6. 'Status', family background, position in local community, etc.	15 (13)	11 (14)
7. Power/authority	6 (5)	4 (5)

Figures in brackets are percentages, based on the total number of men giving any basis for stratification.

1. This column is for chief executives of manufacturing/service firms.

society?', he goes on:

"Not in a strict sence. I mean you get groups of people whose incomes, tastes, backgrounds and what you will are roughly similar; you get other groups where they're quite different. This is due to a variety of causes. There obviously is a difference between the chap who works on the shopfloor, and the chap who works in an office. They are different animals. They're doing different kinds of things and their outlook's bound to be different. You may call it class, you may not. I don't know."

Though the above model draws on a number of attributes to define class, it lacks the stress on education that characterises many. The latter is seen in this quote from the chief executive of a large bank. This man, the son of an M.P., public school and Oxford-educated, adopts a similar model with only slightly different criteria and terminology:

"It largely is a matter of educational background, I think, and on the whole those who have reached the old matriculation standard are the bourgeoisie one way or another. They have an in-built love of property, They like owning thier own houses. They don't like anything that attacks that. They don't like seeing property values declining at the moment at all. They don't like equally an inflation that doesn't have tax escalating with it. . . . I think they feel common interests in protecting the advantages they achieved by education."

(Q: So your employees would largely come from a class united by common interests, shared educational background and certain attitudes to property?)

"I think we have; I would have to disregard the messenger staff who would regard themselves more as artisan."

(Q: So you would see an artisan class as well as a bourgeoisie?)

"I do see it - in factories, if you go to heavy engineering factories, where you still have effectively a blacksmithery - forging is a very good example. The manual worker involved in

forging - it's still entirely an artisan piece of work and you couldn't expect and shouldn't expect in my view a man who is tremendously physically strong and has to put up with intolerable heat all day to regard himself as middle class, however smart his house . . . "

Aside from those who mentioned the six main determinants of class there was a very small group (four men) who had a power/authority model. Although the six main attributes were often juxtaposed no patterns of associations emerged clearly within them. For example, it was not even possible to demonstrate that ability and intellect were more frequently mentioned with education than they were with any of the other four main attributes.

7.7 The Upper Class

The criteria for defining the upper class generally differed from those used to define the principal forms of stratification in Britain. Instead the criteria were either having a hereditary title and probably land in the country, or simply being wealthy. The upper class were not presented as having distinctive occupations, education or attitudes, except to the extent that they were seen as having rural occupations such as farming, or were caricatured as being in the stately home business. Sometimes they were also associated with certain leisure interests such as hunting or shooting.

A majority of all those interviewed, and a greater percentage of those who gave a classifiable answer on the topic, saw a small but distinctive upper class. Table 7.3 summarises the findings.

Table 7.III References to the Upper Class

Number of respondents clearly referring to an upper class	76 (64)
Number denying the existence of such a class	13 (11)
All other ¹	29 (26)
Total classifiable	118
Not specifically asked/answered	12
	<u>130</u>

1. These would include men who present society as a continuous hierarchy, deny the existence of stratification of a class/status type, or would not give an answer.

Figures in brackets are percentages based on number of men giving an answer.

An attempt was made in the interviews to obtain some idea of what sort of people come into the upper class as businessmen see it. From all the groups mentioned, the aristocracy and the very wealthy, which for most respondents meant much wealthier than they were, emerge as by far the most frequently included. The other groups, occasionally said to be either in or on the fringes of the upper class, included politicians, civil servants, some businessmen, and artists and entertainers. However, as the next table shows, of those definitely seeing an upper class, that is 76 respondents, 56 or 74% specifically included the aristocracy, 32 (42%) mentioned the wealthy and 21 (28%) referred to other groups. Thus 43% of all respondents saw the aristocracy as part of an upper class, and a quarter so viewed the very wealthy.

Table 7.IV Groups which Constitute the Upper Class

Total interviewed	130
Number mentioning any upper class	76
Number mentioning the aristocracy	56 (74)
Number mentioning the wealthy/very rich .	32 (56)
Other groups mentioned	24 (28)

Percentages, in brackets, are based on the 76 men who definitely saw an upper class.

7.8 Self-Assigned Class

Quite clearly the class to which a person assigns himself is dependent to some extent on the model of class that that person holds. Getting respondents to 'label' themselves was very frequently one of the hardest parts of the interviews; and where men were unwilling to speak freely about class in general, or denied the importance of stratification, or where they pictured class as a more or less continuous hierarchy it was unusual to obtain any self-assigned class position. Thus, the next table which records the frequency with which men assigned themselves to different classes, is largely drawn from those who had previously referred to models of society with either two or more distinct classes. It will be seen that, of 79 men giving an answer, just ten (13%) saw themselves as 'upper class'. By far the greatest majority preferred the label 'middle class'.

Table 7.V Self-Assigned Class of Businessmen

Number answering	79
Number saying working class	2 (3)
Number saying middle class	67 (84)
Number saying upper class	10 (13)

7.9 No Ruling Class?

The observations made so far on businessmen's views of the class structure, were they to be taken at face value, could potentially have important implications for theory concerning class, and class or elite consciousness. Let us assume for one moment that the respondents had no desire to deceive the researcher but gave replies which honestly reflected their own image or picture of society. Then one must immediately point to the diversity, and the complexity, of the range of answers found here. There could hardly be said to be a dominant train of thought with respect to class. There seemed no common agreement about how members of different classes were to be known or recognised. And whilst a three class (working, middle, upper) model of society was the one most frequently encountered, the majority of those adopting it deliberately placed themselves in the middle grouping and thus aligned themselves with the middle class.

Taking a rather simplistic view of the nature of society, and of the relationship between the structure of society and subjective perceptions of it, one might immediately ask: how can a ruling class be said to exist if a group of what, prima facie, would appear to be members of it both fail to agree on whether it exists, on its nature, or who its fellow

members are? How can such a class develop Meisel's (1962) three Cs - group consciousness, coherence and conspiracy - when its members cannot or do not identify closely with one another?

A number of replies could be made. One would be that we failed to interview sufficient members of the ruling class, or that if we did, they told us lies about their images of society. We consider that these arguments have been well enough discussed in Chapter 3. A different argument would maintain that the perceptions of members of society tell us little about the structure of society, and whether a ruling class recognises its existence is irrelevant to how it behaves. This poses a fundamental question about the appropriate methodology for sociological research, but takes us somewhat outside our present scope.

Our own explanation of the statements of businessmen concerning class would be as follows: whilst elements of elite perspective were evident amongst the viewpoints of our respondents they did not emerge clearly and regularly when they were talking of class. Part of the reason for this is that our respondents were to an extent trapped by the terminology of class. They (and by implication other people in our society) have an inherited understanding of what the terms upper class, middle class and so on mean. This understanding could not be dispensed with, even though our respondents made it clear that so far as they were concerned the groups most usually seen as upper class had largely lost the role and functions that such a label might imply.

Thus, even those who included the aristocracy amongst the upper class, would often disparage it with phrases like 'merely fringe stuff', 'very small', 'no longer important' or 'insignificant'. Likewise the wealthy would be characterised as 'those who spend big', 'people with too much money and not enough culture', 'the jet set' or 'cafe society'.

Businessmen do not, for the most part, place themselves amongst the two major upper class groupings because in their eyes they meet neither of the important criteria. They are not aristocrats or members of the landed gentry and although, as we have seen, they are wealthy by ordinary standards, the majority of bureaucrats do not consider themselves as wealthy. They regard themselves as salaried employees, men who have to work for a living. Asked to say what they would consider as wealth, they would either name sums which could not be obtained in Britain from salary alone, e.g., £1,000,000, or £500,000, or say that a wealthy person is one who does not have to work for a living, or give any thought to how much he spends.

That group which by consent of those interviewed was the one best qualified to be considered as upper class in the conventional sense, that is members of the landed gentry and aristocracy was the group least willing to assign themselves to a place in the class/status structure. (As we saw only 10 men said they were upper class.) Even then they did it reluctantly: thus we have the peer who said he had "one foot in the upper class, one foot in the middle", and the family businessman who stated:

"I have great difficulty in knowing who the upper class is. One thing I can say is that I see a group that doesn't worry about these things. At

other levels, I see all sorts of strains, people trying to get in; and a lot of people worried about people getting in, and trying to preserve their status . . ."

(Q: "Are you in the upper class?")

"Well, in so far as I am not concerned about my social position, I am not worried, . . . there is nowhere above me that I see that I want to get to, yes. I can't see another above me."

Of course, most of the entrepreneurs and family businessmen would qualify for, (and accept) the title of wealthy, but, the peculiar nature of the British social class system with its emphasis on title and background means that many of these can exempt themselves from the upper class as such. For example:

"I still feel that the background of our family, with my father right from the youngest days I can remember when he first gave me a Borough bank account with only £5 in it, we had to tithe that income and each of us decided how to dispose of that one tenth of it. That feeling is still with me. I like to think that I can get on with anybody in the country."

(Q: You don't think of yourself as upper class?)

"Certainly not. The fact that the Queen saw fit to make me a knight doesn't change me as I realise what other people feel that having been given an honour of that sort you're a changed person."

(Family businessman - large company.)

It must not be forgotten then that family businessmen may be the sons of founding entrepreneurs, and during their youth may have been far less well off.

There is however another aspect to the denial of upper class status that emerged from the interviews and deserves comment: wealth is often associated with frivolity, display and excess and members of the business elite have something of a dislike or distrust of this. Their values make them suspicious of conspicuous consumption. Further they seem to feel that some groups who might be thought of as part of the 'jet set', such as pop singers or footballers are overrewarded. Thus one bureaucrat defined the upper class as 'those who spend big'. He was later asked whether he mixed in his non-work life with what he had earlier defined as the middle class. His reply was:

"I suppose in practice yes, for this particular reason, and that is that on my father's side we're of Northern Ireland descent, who as a matter of tradition if you life would not be the sort of people who would want to act big whatever and who would regard with the utmost contempt the sort of situation we've had round our way, Esher, in Surrey, quite a lot, where you've got a chap down the road who's bought a big house, he's spent a lot of money converting it into something even finer, new swimming pool and so on, and was obviously of a different social stratum to us. I mean he'd never have thought of inviting us there, and we'd never have thought of accepting if he had, he comes in quite a different class. Chap went bankrupt the following year. I mean I dare say I could have bought the fellow out quite easily. But because he comes into the big spender class, big spender whether you've got the money or it's borrowed, he therefore, his whole sort of thing, I mean if he had a party he had dozens of chaps in white coats serving out drinks, this sort of thing, which no matter how much money I had I wouldn't do."

(Bureaucrat - small service firm)

However, the disdain for those who 'spend big' is not confined to those of the middle ranges in family social status; those from the traditional elite, those who might well be considered upper class, shared it, though in a form, as indicated

in this next quote from a merchant banker that smacks of disdain for the nouveau riche:

"In London before the War when you went out and dined in a restaurant you would always meet somebody you knew. Nowadays, when you go out you don't meet anybody you know, and in most cases I'm not at all sure you'd want to know them - you know, the jet set, millionaires, film stars and so on."

(Q: Are they the upper class?)

"No, I don't know, they're outside it."

(Q: Where do you come?)

"Because of my foreign origin I'm in a curious position, but my family have been landowners for many years and are well known in the City, so I'm on the fringes of the upper class."

(Bureaucrat, Chairman - merchant bank)

The attitude of many bureaucrats is that the antics of the upper class are something apart from them. Their own lives are similar to many of their managers below them. Thus, the bureaucrat head of a large trading firm, asked to define the upper class said:

"Such a difficult thing to define - but if you went to one of these eating places, Annabel's, say, or Les Ambassadeurs, you would find there wealthy people from overseas, some of the dwindling aristocracy, and some people from the City, they would form part of the upper class. . . . But you know it's a full time job being rich, you have to work so hard safeguarding your money, . . . most of them talk about it the whole time, what they should do about it and so on - it's the sole topic of conversation. . . . But there is also an Establishment and that's a rather different thing."

As in the last quote, directors in industry would sometimes place members of City firms in the upper class. And, in common with the general pattern, although some such men placed themselves there, others disagreed, such as the banker, with whom the next section of interview was recorded:

(Q: How many classes do you think there are?)

"In today's society, it's very difficult to say, isn't it? One sees so little at the top of the pyramid."

(Q: Some people would say you were at the top?)

"Well that would be ridiculous, wouldn't it? Oh, absolutely ridiculous. I'm not a society person. If it were not for my job I'd be completely unknown I'm not a socialite I regard myself as a member of the middle classes Let's talk about the top of the pyramid. I don't suppose things have changed much here since Proust's day really. Many of us could read a notice of some high hunketing at some high place in the papers without recognising any of the names of the people who attended or knowing who they were or what role they had."

7.10 The Low Status of British Businessmen

Two groups then were perceived as publicly held in high status by our respondents: the traditional aristocracy, regarded as being of waning importance but still having cache, and the more obvious of the wealthy. In contrast many businessmen themselves tended to feel that as businessmen they were held in rather low esteem. There are two dimensions to this: firstly they compared their position unfavourably with that of men in equivalent positions in other countries, and secondly they compared themselves with models of what directors in large companies used to be like in the past.

These comparisons, however, are not just ones of status: monetary comparisons enter into both dimensions. There can be no doubt that Britain's top directors receive less in financial remuneration than do their counterparts in most European capitalist countries and the United States. The directors of multinationals are particularly aware of this, as some pay their subordinates in other countries more than they receive themselves. Since businessmen tend to feel that people are, or should be, 'paid what they are worth' in terms of the market, they inevitably feel that the market is undervaluing them, and that this is in some way a reflection of public esteem.

This aspect of businessmen's current position emerged only partially in the earlier interviews. In the second half of the study it was discussed more specifically, when the respondents were asked how they thought the social position of a director in their companies compared with that of men in the same positions before the last war.

Those who answered tended to be far more aware of differences within the company than outside. They put forward a version of the managerialist thesis from the point of view of a participant, which emphasised changes in the responsibilities, management style and wealth of the top men of industry.

Frequently those interviewed said that the companies they now ran were either very much bigger than they had been before the War, or in some cases bigger than any company was before the War. This gave them, they felt, far greater responsibilities, the difficulties of which are exacerbated by changes in public and governmental attitudes, both nationally and internationally.

At the same time a change in management style was emphasised. The men who headed companies in the past - men such of McGowan of ICI, Barlow of Metal Box - were pictured as highly autocratic, and certainly as being unapproachable by the ordinary employee. One of the directors summed it up by saying:

"When I first came here, when the Chairman got in the lift everyone else got out. Nowadays the secretaries might get in the lift with the Chairman without even realising who he is."

This statement may say rather little for the communicative ability of the present Chairman, but does convey the sense of distance from the mass of employees that directors were said to have in the past.

Contrastingly it was thought that the modern director operates with a different management style. He communicates and consults far more, and is far less able to decide what to do and then order it to be done.

Another aspect of the low esteem of the businessmen, especially of those in manufacturing, is that of the generally low status of business management in Britain as a career. This was of practical concern as they felt that industry was not able to recruit people of sufficient calibre. The dislike of industry, compared to the professions is somewhat traditional in Britain, as one of the family businessmen illustrated from his own experience:

"When I got married in 1950 my father-in-law was a Major General. And in a very disparaging voice he was heard to say '_____ in trade'. We have made the fatal mistake in this country of thinking that industry is dedicated to making profits without thought of human values, that we stop at nothing to make a profit, that we squeeze the workers into the dirt, and that sort of thing. While I think that image has changed in the last 25 years or so just go round any university - and ask the undergraduates where they want to go. The last place they want to go is industry."

The final factor that is seen as giving the British businessman a low status is that of the generally poor performance of British industry compared to that of its foreign competitors. Those interviewed saw management as blamed for this, in some cases, though they would apportion the blame wholly or partly elsewhere.

It would be interesting to test out these ideas concerning the status of industry, and business, and of business managers, to see what foundation they have in public attitudes. What is clear is that, although businessmen themselves have more urgent and pressing concerns, they do perceive themselves as being a lower status group than they feel they should be. In contrast, for example, although the landowning aristocracy is seen as having gradually lost political power and influence they are thought to retain a position in public esteem as a status elite.

Another comparison that was occasionally made was that of the modern director with the 'captains of industry' of the past. Here, as those interviewed often recognised, the comparison may not be of like with like. For the captains of industry were often entrepreneurs or tycoons with a huge personal stake in their businesses. Nowadays although a number of such men do run companies amongst the top 250, and indeed may be the business figures the public hears most about via the gossip columns, they are not the men who run the very largest corporations, sit on the representative bodies such as trade associations or the CBI, and present business to government.

The bureaucrats therefore made specific reference to the fact that they were far less well off than directors used to be, and sometimes linked this to misconceptions by the public. Thus the head of the biggest firm in this study said that:

"Before the war the directors of this company were very wealthy men. You used to see a line of Rolls Royces round this building. You won't see any now."

Similarly the head of a massive pharmaceuticals firm said:

". . . . The chap who is head of a large company nowadays probably is a manager of a public company. Before the war it was more likely that he would be an owner, or part owner of the business."

(Q: Do you think people are aware of this?)

"No, they are probably not. That's why you get these references in the media to this deplorable term, the boss, an opprobrious term. That term comes from the days when the man who headed an industrial company was the old style irongrinder I'm a professional manager a technocrat, I don't suppose the mass of people would see me that way. To them I'm just the bloke who runs
_____."

7.11 Status is not the same as Power

Extrapolating from their own statements it seems that businessmen feel their own status in British society is lower than it should be. An outmoded, small, even irrelevant aristocracy retains public prestige. So, too, do certain more obvious members of the wealthy; of 'cafe society', or the 'jet set', groups which, in one of the few sociological discussions devoted to them, Alberoni (1972) has called 'a powerless elite', a group which has charisma which does not translate into power.

The lives of members of the powerless elite, says Alberoni, excite interest, gossip, and moral evaluation.

Businessmen too made similar contrasts between the status of elite groupings, be they the very rich, the aristocracy or the jet set, and the power that such groups have.

Thus one retired executive said:

"Using Lord Goodman's words it's influence that's the thing - I mean you can be a multi-millionaire but if you've no influence you're of no importance.

And a banker who was quoted earlier in this chapter contrasted the status of the aristocracy with the power that they now have:

". . . . the landed aristocracy are obviously of diminishing importance in this country, what do you think? and if it were not for the fact that some of them do hold public office of one kind or another we would probably know nothing of them; they don't really seem to play an important part in the life of the country."

Another of the bankers was one of the few men in this study whose image of society could be classified as a power model. Society for him was 'the narrow strip of people who take responsibility', with below them the non-commissioned officers, and 'the men who go along'. This man's family appeared in Burke's Landed Gentry, but as he saw it:

"The old upper class has really disappeared altogether - they've gone off into the amateur world with the Junkers in Germany and the Grandees in Spain. I think they really are now quite insignificant."

From the statements of the kind we have quoted above it is possible to put together an explanation of why businessmen decried the importance of the upper class, and so frequently denied their own position in it. They were, in effect, distinguishing between status and power. Thus they could label the

aristocracy, together with some of the wealthy, the jet set, cafe society or whatever, as merely status groupings of dubious importance. And some of them used a different phrase to describe the central, informal power groupings that exist in Britain, They referred to the establishment, or establishments. However, references to such groups were made only in passing in discussing class and status. We shall return to a discussion of what the establishment comprises in the next chapter, but we have made the point at this stage to emphasise that businessmen's views on class cannot necessarily be taken as a denial of the existence of a power elite, or of their own position within such a grouping.

7.12. Class Imagery Compared

We have stated that the businessmen themselves did not assign themselves to a high position within the British class structure, but usually saw themselves as part of a largish middle class grouping, one of two major classes. Another question worth asking however is whether, despite the label they attach to themselves, top businessmen have a distinctive view of class, one that is quite clearly different from that of other groupings, and might be identified as an elitist viewpoint.

In this section therefore we compare the findings of this study with those from studies which have been made of other occupational and social groups. In the comparisons that follow we refer only to studies of British society, so as to avoid the complications that comparisons across cultures would introduce. And we look exclusively at studies of urban groups, for again it is urban industrial society that is probably most relevant to

businessmen. Indeed it was obvious that businessmen's images of society although they did make reference in some cases to local communities, were not drawn from what Plowman et al (1962) called 'local social status systems'. They were much more abstract, and generally called on a wider frame of reference than a purely local one.

A number of contrasts are immediately apparent between businessmen and other groups. The most obvious, so obvious perhaps that one is inclined to overlook it, is that very few businessmen assign themselves to the lower or working class. Most see themselves as middle class, with a minority seeing themselves as 'upper class'. Previous descriptions of social class imagery reveal a diversity of view as to where big business directors come in the British social class system. The affluent workers of Luton (see Goldthorpe et al, 1968) appear to have placed the very rich as a separate upper class, but in something of a contrast to their other views where money alone played such a central part, they also mentioned the aristocracy very frequently. Moorhouse (1976) found a similar pattern in his study of (mainly) manual workers in Barking. Brown and Brannen (1970) in contrast report that shipbuilding workers did see 'bosses', presumably meaning industrial company directors, as an upper class; whilst Scase (1974) reports that over half of the English factory workers he studied mentioned company directors as belonging to the upper class, compared to 42% referring to the aristocracy, and 20% referring to the rich. Thus there is something of a contrast here in that, whereas many manual workers would apparently place business directors as part of an elite grouping, businessmen themselves would tend, at least when interviewed, to deny that they hold such a position.

These similarities and contrasts must be understood in conjunction with the picture that the different groups hold of society as a totality. An interesting observation may be made here which is that the largest group of the top businessmen in this study adopted three class models, with only 9% differentiating four, five or six classes. In this respect businessmen are similar to manual workers, and their images of society differ from the model of middle class images of society propounded by McKenzie (1975). The latter suggests that it is a middle class (i.e., presumably white collar) characteristic to differentiate relatively many hierarchical graduations. One might, however, see the hierarchical, one class model that was found amongst some businessmen, as corresponding to McKenzie's multigraded model, but this was one that was adhered to by only 12%. It should be mentioned that there is little evidence comparable to that obtained from studies of manual workers to support McKenzie's contention. However, the respondents in this study do form a notable contrast to the industrial supervisors, reported in a recent study by Child and others (1978), where some 42% of those interviewed were found to hold class images involving four or more classes. (although overall, a three-class model was the single most commonly held type).

We may also note that our findings do not confirm the observation by Winkler (1975) that the directors he observed held modified 'us and them' images of society. In the abstract the majority of the businessmen studied here did not hold such images; but we may also note that no group of manual workers has yet been studied in which such images are the most frequently reported. Even the shipbuilding workers studied by Brown and

Cousins¹, (who according to the implications of Lockwood's, 1966, theoretical discussion should be relatively close to the ideal type of proletarian worker), in fact held two class models in only around a third of cases. Amongst shipbuilding workers in fact three class models were the most common.

It should also be noted that although the 'affluent workers' of Goldthorpe's study have been usually reported as seeing society as predominantly of one class differentiated by consumption standards, the most common picture reported in Goldthorpe et al (Vol. 3, p. 148) is of a three class model, in which the top and bottom classes are quite small, giving a very large central class.

Indeed it would seem that the three class model permeates British class imagery; almost as though it is embedded in the very language. Indeed at the risk of inventing explanations, one may suggest that this, in fact, is the case - that when respondents seek words to describe the social structure, the words that common parlance provides them with are those of upper, middle and lower, or working. What respondents then do is to stretch these terms to fit their own circumstances. Thus, the affluent workers, concerned to deny the importance of the traditional white collar, or craftsmanship distinction, conceive of a very large central class differentiated internally only by consumption. Other manual workers, such as those studied by Cousins and Brown do the same - seeing themselves as part of the largest of all the classes, though in four fifths of cases the

1. See, e.g., Cousins and Brown (1975); Brown and Brannen (1970).

shipbuilding workers saw themselves as part of the bottom class. In contrast, foremen concerned to assert their status in the face of diminishing rewards relative to manual workers, and an eroded role in the authority structure, may wish to invent more than three classes, to draw additional divisions within which to give themselves a distinctive niche. Contrastingly the concern of top businessmen is if anything the reverse: rather than show themselves overly concerned with the intricacies and complexities of the British class system, they play down their position, placing themselves as part of one relatively large subgroup of society, the middle class.

One sees more obvious differences between businessmen's class models and those of other groups when one turns to the discriminants of class position. A constant feature of recent studies of manual workers has been the importance that such groups attach to income, standards of consumption, or to a lesser extent wealth. Different commentators have put a different interpretation on this, Goldthorpe et al, for example, see it as significant of the 'instrumental' orientation of the affluent worker; whereas Moorhouse (op.cit.), amongst others, argues that frequent mentions of money by respondents are not incompatible with 'power' models of society, or at least a realisation of inequalities of power. Whatever the interpretation, in the studies by Goldthorpe, Moorhouse, Scase, Cousins and Brown, and Child et al, money in some form is always the most frequently mentioned divider of one class from another.

The businessman studied here form something of a contrast. Whilst it seems unlikely that, had they been specifically questioned on it, they would not have accepted that income/wealth and class position were associated, when they came to try

to pindown for themselves what created class, the businessmen interviewed in this study were much more likely to mention education in some form (45%); slightly more likely to mention occupation (36%), and about as likely to point to differences of attitudes and values (31%; see Table 7.II above). Why there should be this contrast is not entirely clear, but one reason did suggest itself on the basis of the interviews. The businessmen who were interviewed were trying to accommodate their models of class to certain changes in society, most notably, as they saw it, the blurring of class boundaries, caused by the achievement by some groups of manual workers of high wages which would allow their styles and standards of consumption previously attainable only by white collar workers. Similarly businessmen perceive new channels of social mobility (via the universities); and changes in the attitudes of some white collar groups (e.g., towards unionisation). Thus, in the face of such changes they come to perceive the differences between the two major classes as no longer ^{based on} such clear definables and income or the kind of work you do, but also on education (where and to what level) and the attitudes and values you hold. We will enlarge on this theme below (Section 7.16).

7.13 Variations in Images of Society

We have described the images of society held by top businessmen: we have compared them with those held by other groups; can we to any extent account for the variation that occurs within them. Are there, in fact, several types of business outlook?

In Chapter 2 we reviewed the various descriptions that we have of businessmen and directors, from which a variety of potential influences, of career, schooling, type of industry worked in, and so on, could be perceived. However, reference back to our discussion of Chapter 1, reminds us that the primary structuration of social class in an industrial society is the ownership, or lack of it, of capital in some form or other. That there can be a clear distinction between controllers of industry who personally own considerable personal capital and those who do not is, as we saw, the foundation of the ownership and control debate.

The first examination that we made of our data was therefore to see if there were clear distinctions between the three types of businessmen which we have utilised throughout this study, that is between bureaucrats, family businessmen and entrepreneurs. What we have done is to classify the statements which the respondents made about class and tabulate them against the three types of respondent. The results are shown in Tables 7.VI and 7.VII and 7.VIII on page 414-415.

The following tables reveal no very striking differences between the 'capitalists' and the 'managers'; and certainly none that can be easily explained. For example, five out of 20 capitalists called themselves 'upper class' compared to five out of 59 bureaucrats; but this still leaves the vast majority of both groups calling themselves middle class. Similarly, the capitalists turn out to mention ability and occupation more, and income/wealth less than the bureaucrats but not to such an extent that the differences were statistically significant.

Table 7.VI Variations in Images of Society as seen by Different Types of Businessmen

Type of Respondent	All	Bureaucrat	All 'Capital' Holders	Family Businessmen	Entrepreneurs
Number	130	96	34	24	10
Number giving no classifiable picture	18	13	5	4	1
Number referring to classes but not specifying number	10 (9)	6 (7)	4 (14)	1 (5)	3
Number who see a hierarchy/ladder	16 (14)	11 (13)	5 (17)	4 (20)	1
Number who see four or more classes	12 (11)	10 (12)	2 (7)	1 (5)	1
Number who see three classes	55 (50)	42 (51)	13 (45)	9 (45)	4
Number who see two classes only	19 (17)	14 (17)	5 (17)	5 (25)	0

Percentages, in brackets, are based on those who do give a classifiable answer.

Table 7.VII Self Rated Class by Type of Respondent

	<u>Bureaucrat</u>	<u>Family Businessman</u>	<u>Entrepreneur</u>	<u>All</u>
Number of those giving an answer	59	15	5	79
Ranking:				
- Working	2 (3.5)	0	0	2 (3)
- Middle	52 (88)	11 (73)	4 (80)	67 (85)
- Upper	5 (8.5)	4 (27)	1 (20)	10 (12)

Table 7.VIII The Bases of Stratification as Stated by Different Groups

	<u>Bureaucrat</u>	<u>Family Businessman</u>	<u>Entrepreneur¹</u>	<u>All</u>
Percentages of each group stating as a basis of class/status:				
1. Income/wealth	34	20	33	32
2. Education	44	45	55	44.5
3. Occupation	27	50	22	36
4. Social attitudes and values	32	25	44	31
5. Ability/intellect	10	15	33	14
6. Status/background	12	10	22	13
7. Power/authority	6	0	11	5
Numbers on which % are based	83	20	9	112

On a comparison of the three groups, using a chi-square test there was no significant statistical difference at the 5% level.

1. Clearly percentages in this column are based on very small numbers, and they are put in for purposes of comparison only.

Drawing on what we wrote in Chapter 2, we have searched for a number of possible connections between individual career experience and social background and the present outlook of the respondents on class. For example, we have made comparisons of the views of men who work in 'City' firms with those in manufacturing and service industries. We have looked at the effect of the size of company, using different measures. We have compared men who have worked in different functional positions in the past, by comparing those who have had experience of shopfloor management with those who have not. In all these cases the resulting tabulations have not brought out any notable, or indeed, statistically significant relationships; and we have not thought it worth while to reproduce them here.

One way of examining the data that is perhaps of more interest involves a more complex classification. That is when we use the index of social status which we devised in Chapter 4. It will be recalled that this index had four positions, and was devised from the occupation of the fathers of the men interviewed; the schools the men themselves attended; and their membership or otherwise of the aristocracy/landed gentry. We reproduce, once more the data, retabulated using this index, in Tables 7.IX, 7.X and 7.XI on pages 417-419.

Table 7.IX How Groups of Differing Family Background Perceive the Class Structure

Social Background of Respondent ¹	IV 'The Highly mobile'	III Ex-State School	II Ex-Public School	I 'Traditional Elite'	
Number interviewed	18	30	47	29	124
Number who see class as a hierarchy	1 (6)	5 (17)	7 (15)	3 (10)	16
Number using a two-class model	2 (11)	3 (10)	8 (17)	6 (21)	19
Number using a three- class model	5 (28)	10 (33)	23 (49)	15 (52)	53
Number using four classes or more	3 (17)	2 (7)	3 (6)	2 (7)	10
Number accepting classes but not specifying number	4 (22)	4 (13)	1 (2)	0 (0)	9
No answer/class denied	3 (17)	6 (20)	5 (9)	3 (10)	17

1. Foreign-born respondents cannot be allocated to a social background grouping. There were six of them.

Table 7.X Self Rating of Class by Family Background

<u>Social Status Index</u>	<u>'Working'</u>	<u>Middle</u>	<u>Upper</u>	<u>Total Giving Self Ranking</u>
Group IV (up. mobile)	2	8	1	11
Group III	0	13	1	14
Group II	0	28	2	30
Group I (elite)	0	15	6	21
	—	—	—	—
	2	64	10	76

Table 7.XI The Attributes on which Class is Based by Family Background

Position in Status Index:	IV				III		II		I	
	Upwardly Mobile	State School	Public School	Traditional Elite	Upwardly Mobile	State School	Public School	Traditional Elite	Upwardly Mobile	State School
1. Income/wealth.	8 (53)	3 (13)	15 (36)	8 (30)	8 (53)	3 (13)	15 (36)	8 (30)	8 (53)	3 (13)
2. Education	3 (20)	11 (46)	20 (48)	13 (50)	3 (20)	11 (46)	20 (48)	13 (50)	3 (20)	11 (46)
3. Occupation	6 (40)	4 (17)	13 (31)	9 (33)	6 (40)	4 (17)	13 (31)	9 (33)	6 (40)	4 (17)
4. Attitudes/values	9 (60)	9 (38)	15 (37)	6 (22)	9 (60)	9 (38)	15 (37)	6 (22)	9 (60)	9 (38)
5. Ability	3 (20)	2 (8)	6 (15)	2 (7)	3 (20)	2 (8)	6 (15)	2 (7)	3 (20)	2 (8)
6. Status/background	1 (7)	3 (13)	5 (12)	6 (20)	1 (7)	3 (13)	5 (12)	6 (20)	1 (7)	3 (13)
7. Power	1 (7)	0	1 (2)	3 (11)	1 (7)	0	1 (2)	3 (11)	1 (7)	0
Total giving any basis	15	24	42	26	15	24	42	26	15	24

Figures in brackets are percentages. Corrected χ^2 for stating income or wealth as a basis, as opposed to not stating it, shows significant differences at the 5% level.

In Table 7.XI above, we begin to see some differences, but the trends here are not always simple. Income/wealth and differences of social attitudes were particularly mentioned by the upwardly mobile. Contrastingly, the importance of education in determining a person's class/status is emphasised the more one ascends the social background ladder, as does mention of status, or social background.

It is possible to show similar trends simply using the Hope-Goldthorpe index of social mobility. Thus, if one compares the mean intergenerational mobility of those who do mention some attributes with those who do not then one obtains the following results:

Table 7.XII

Mean mobility of those	<u>Income</u>	<u>Education</u>	<u>Attitudes/Values</u>
- Who <u>do</u> mention	10.12	5.48	9.81
- Who <u>do not</u> mention	5.99	8.89	6.00

T-tests indicate differences significant at 10% level of confidence.

It is not at all clear what these differences between groupings in fact mean. It is tempting to suggest that the four crude groupings delineated by our index of social status correspond or are indicative in some way to the greater or lesser adaptations which people have had to make over their lifetimes. What such an explanation would suggest is that where you are born in society conditions your attitudes as much as where you end up in the occupational hierarchy. Certainly in the case of the highly mobile men in our sample, of which 15 appear as a distinct group in the tables above, then we do believe that their attitudes to social class do

differ from that of the other men we interviewed, and we attempt to illustrate their distinctive mode of response below (Section 7.15.2).

Beyond this little can be said. Inspection of Table 7.XI above indicates little difference between Groups II (those who had attended public schools) and Groups I (those who attended elite schools or were aristocrats). The same is true in Table 7.IX.

Taking Group III, men whose fathers were white collar workers and who attended state schools; inspection indicates that the way in which they are distinctive is in referring to fewer of any of the six main attributes of class than members of the other groupings. But there is no obvious reason as to why this should be so.

7.13.2 Internal Patterning

The discussion of Chapter 2 suggested rather more than that businessmen's background and experiences would shape their perceptions of social class. It also suggested that the term images of society would comprise perceptions about the firm, and the local community, as well as about society as a whole. One might expect perhaps that a person who took a 'them or us' or two sides view of the company, would see a similar division within society more generally.

Our own study, however, does not provide evidence that supports this contention. For when we look at the attitudes businessmen expressed towards the employees in their firms, and their perceptions of class/status, we find a number of obvious anomalies. These may be seen in the

next two tables. In Table 7.XIII, the number of social classes perceived by the businessmen are tabulated against whether or not they saw 'two sides' in their firms. We note no distinct patterning here; indeed what is noticeable is that four men who said they did see something of a 'them and us' situation in their companies pictured society as a graduated hierarchy; with four of the same group seeing four or more classes; and five men who saw society as just two major classes, did not see two sides in the company.

Table 7.XIII Answers to Question "Do you see two Sides in your Company?"

	<u>Yes</u>	<u>No</u>	<u>Don't Know/ Can't Generalise</u>	<u>All</u>
	43	41	21	105
Number of classes perceived in society				
- Four or more	4	4	3	11
- Three	19	18	8	45
- Two	6	5	4	15
No clear number/class denied, etc.	10	7	5	22
Not class-graduated hierarchy	4	7	1	12

Since the distribution of answers to the question about two sides in the firm was related to the reasons given for conflict within the company, it is not surprising that no relationship is apparent in the next table.

Table 7.XIV Reasons for Conflict within the Firm

	<u>Class/Historical Attitudes, Etc.</u>	<u>Trade Unions/ Managers And Managed</u>	<u>Wage Bargaining</u>	<u>Large Plants, Communications, Trouble Makers</u>	<u>All Reasons</u>
	15	14	20	36	
Number of classes in society:					
- Four or more	0	2	4	2	8
- Three	9	5	5	19	38
- Two	1	3	3	6	13
Graduated hierarchy	3	2	1	4	10
No clear number/class denied, etc.	2	2	7	5	16

We accept that the members in the cells in the above tables are too small for statistical purposes, Nevertheless, they do serve perhaps to show that the consistencies of viewpoint which were suggested were not apparent amongst this group of businessmen.

7.14 Re-explaining Class Imagery

It must be accepted that our statistical attempt to account for how people come to hold certain images of society is not successful. This may be disappointing, but in retrospect there are several clear reasons why the approach was unlikely to produce significant findings, even had clarification of respondent answers been straightforward and simple.

The first reason is that we have separated out elements of the images which people held from one another, that is we separated the number of classes from the causes of class, from the perceived membership of the upper class and so on. In practice, however, these were presented by respondents as totalities, and should perhaps be examined as such.

Secondly, we have taken each aspect of the men's experience in isolation and attempted to examine it; yet the men themselves were able to draw on a variety of different experiences in constructing their pictures of society. In other words there was not just a group of men whose fathers were family businessmen, and those who weren't; a group who had been to public school and who had not, a group who had worked in close contact with manual workers and a group who had not, rather there were men who were family businessmen who had also been to public school and had also supervised factory production and so on.

Thus even assuming that the men we interviewed held relatively stable and permanent images of society which were connected directly to their experiences, it would be a very complex task to unravel these connections. This being the case it is not surprising, perhaps, that both we, and other workers, have encountered a multiplicity of images of society. A further complication, much noted in the literature, lies in the fact that images of society may not be stable at all, but vary from context to context.

We believe also that there is another explanation of some relevance. We take the view that part of the multiplicity of images of society that we encountered stems from the fact that social class is not in fact important in any real and everyday sense to most of the men we were interviewing. The conceptions they put together were thus largely abstract ones, put together from a number of elements that were in effect assembled for the occasion, that is for the interview. The elements themselves remained relatively stable; that is a high proportion of the men asked about social class referred to a two or three class structure, most referred to education, occupation, income, or attitudes as class dividers, and so on. But what differed was the way in which these elements were assembled.

Thus, a better approach to class imagery may be to discuss those small groups of men who had very definite ideas on social class; to whom it was more than an abstract topic; and to then discuss the structured and recurring elements on which the majority of the businessmen drew in constructing their class models.

We distinguish four groups for whom the topic of social class did seem to have a real and definite impact: those men who had been highly upwardly mobile; those we call the 'sociological sophisticates'; the traditional upper class; and a group one may call the 'outsiders'. We shall discuss these groups next.

7.15 Groups for whom Class was a Reality

7.15.1 Sociological Sophisticates

By and large we do not expect businessmen to offer images of society that as descriptions of society have the same depth of observation and precision that sociologists themselves can offer. But businessmen are a well educated and widely experienced group, and a minority, in talking of class, made descriptions of the differences between the working and middle class that were in essence as finely elaborated as those to be found in sociological literature.

This group may be called the 'sociological sophisticates'. The sources of their knowledge appear to be: either first hand knowledge gained through political work, particularly on local councils, or in one case in the personnel field, or alternatively reading of social history or sociology. The works quoted included the Affluent Worker Studies (once) and Uses of Literacy (twice).

Here is one man talking, who apart from being chief executive of a manufacturing firm, is a local councillor.

" . . . I am involved in this in an area which has a very large GLC estate. A massive one - like round here (this office) you've got these tower blocks. You've got tens of thousands of

people all living in the same way - not necessarily at the same material level, because there are some who are quite well off, and some who are very hard up. But they are living in a sort of environment where the general expectation of what you are and what you are going to do is low. That is a class of people living in that way I think it's really the way in which people live. It's the environment, the expectation of life and all that which means that the youngster on the estate is going to go to a school on the estate and his horizons are not going to go beyond that, going on a school bus, and what they do at weekends - it's down to the local supermarket, and if there's any sport then it's on the school fields or it's on this, or it may even be a football club but it's not very far away, and it's the same people going there all the time. This forms a class - it forms an identity of people all the same - and they regard others as different. They don't have to be a different colour or a different creed, they are just different."

This account may not come across in sociologist-style prose, but it is unusual for its description of working class life, and the recent and direct acquaintanceship with the working class that produced it.

In the other example here, the personnel director of a large multinational firm, the respondent began by taking a somewhat propogandistic line:

"Well, I've never been very happy with the Marxist classification, because it seemed to me to misrepresent the real state of things."

(Q: What would you see the Marxist interpretation as being?)

"Well, all this talk of working class, middle class, upper class. I mean if anyone asked me which class I'm in, my usual response is to reject the system of classification."

From here he goes on to say that education is important and that his scheme would be the 'prejudiced and ignorant, irrespective of education, and those who are not'. A little later he asserts that the terms working class, middle class and so on are usually used to call up political solidarity. From here the discussion proceeds as follows:

(Q: One party would appear to be more working class than another?)

"Yes - although living as I do in Hampstead, one might find that difficult to believe. Hampstead is a marginal constituency and contains a lot of people who might be described as middle class but contains a lot of people who are not automatic Conservative voters."

(Q: So you seem to be able to distinguish the middle class and working class - even though you say the distinction means nothing?)

"Well, it is partly a voting distinction. Partly an income distinction which is now becoming blurred. Partly an occupational distinction and partly a social one. If one looks at the networks, as I understand you're a sociologist, you see a different pattern of networks and behaviour and this is quite important in the personnel world, because you find that so called working class wives tend to consort with other working class women rather than their husbands socially. Whereas the middle classes, meaning more particularly better educated people whose husbands have managerial occupations, you find there's greater geographic mobility, and husbands and wives tend to share intellectual and cultural pursuits rather than being separated except around the dinner table or in bed. Which is really quite interesting; you know I worked in the steel industry in Wales, people who sought employment when you probed why they wanted to come and work, it was because their

wives were Welsh women and at some stage in her life the Welsh woman likes to be near her mother. And so the man is being dragged back to his wife's town of origin, and forced to get employment there. One found this was largely but not entirely a working class phenomenon - middle class people tended to be more mobile. The distinctions are becoming blurred . . ."

This man's views remain something of a mystery: if class is important in the personnel world it is hard to see why he insistently rejects what he calls the Marxist categories, even if he wants to reject the Marxist consequences of class. Later he goes on:

"I think it's a pity we cannot get back to medieval values - a cat can look at a king, because there's no confusion. The king goes up to a peasant and talks to him, and there's no embarrassment. I think it's a pity people can't accept their roles, and value a person for the excellence with which they fill them."

The 'sociological sophisticates' are a tiny minority - we would place only six men in this category; but it is important to record their existence, for clearly it would be wrong to assume that all top businessmen are, and have been, isolated from contact with lower status groups. The sophisticates may well be the 'one man chains', that Winkler (1974) refers to - the men that other directors consult when they want to know about working class attitudes. The other group with first hand knowledge is the highly upwardly mobile, but their experience is a more personally significant one. They are discussed next.

7.15.2 The Highly Mobile

Whilst the majority of those interviewed could afford to take a detached view of class, insulated as they are from class boundaries, there were some groups for whom the question carried a particular tension. The first of these to be considered is the 'highly mobile'.

It will be recalled that this group although in the terms of this study highly mobile were drawn largely from a skilled manual or routine white collar home background (see Chapter 4, Section 4.2). And in terms of this definition there were just 18 of them.

It has been maintained by a number of sociologists that high upward mobility has important social consequences, particularly in creating feelings of social isolation. However, there is not much concrete evidence to support this, and the problems are further complicated by differences between different countries.

The highly mobile in this study tended to react to questions on social class in one of two ways: they either denied completely that it was of any importance or were highly aware of it and its effect on them and spoke at some length about it. These would seem to indicate alternative ways in which one feels one has had to make adaptations to succeed in one's business or social life.

Thus, the managing director of a large service group who had been the right hand man of an entrepreneur (whom he described as a 'wheeler dealer type') for some 20 years, clearly felt that he had not had to make such adaptation.

(Q: Do the terms working class, middle class, upper class have a meaning for you?)

"They're used, but in my opinion they've long outlived their usefulness."

(Q: Did they ever have a meaning?)

"They probably did - about a hundred years ago. I don't think that in the circumstances in which we find ourselves today that these meanings apply. People do use artificial rankings, for example, the aristocracy, but that's only a minute classification. Most people socially are able to mix freely - I can - I go to the board of Barclays Bank, then to a business lunch, then to a pub - I don't have any problem anywhere."

Of course one way in which one's career in the hierarchy of a company will not be impeded through lack of education, social grace, or connections, is to have begun it oneself. Just one of the entrepreneurs could be classified as highly mobile, and he produced a response denying the significance of class.

This man provides an interesting example of how the upwardly mobile can embrace the values of the group they move into more vehemently than the group itself. Born the son of a greengrocer, he left school at thirteen, and within a few years had entered business for himself. Over a long period he has gradually built up a large multinational company. He makes no secret of his origins; but is known for his opposition to the trades unions, and his support for such groups as Aims of Industry (now Aims). In the interview he evades the topic of class, with such statements as 'it is a class society, I think the people who try to make more of a class society are the socialists'; 'People don't look up as they used to.'; 'I hope class is going if not gone.'

At the end of formal questioning, he was tackled more informally about his views.

(Q: You came up from the bottom, from a fairly poor home, and you had your own business in Lancashire in the 1930s. You must have seen a lot of poverty and hardship. Yet now you are clearly opposed to socialism, and to Labour policies. How is that?)

"I did come from a poor home - but there wasn't hardship. People talk of there being slums, there weren't slums, the houses were perfectly good. It was what the people made of them. Our house was always kept clean and well maintained. We had no hot water . . . but the house was fit to live in. It's what people make of them . . . What has socialism done for people? It doesn't produce wealth; it's private industry that does that."

(Q: Many people would see a contribution in alleviating poverty - the National Health Service, the Social Services, and so on?)

"It wasn't a national health service, they took it over - the socialists don't understand that only private industry creates wealth."

Here the meaning system of the respectable working class/lower middle class appears to have been grafted on to business ideology, to produce an amalgam more uncompromising than that of many of the traditional elite.

On occasion in denying class the upwardly mobile could produce statements in which they both defined a picture of class whilst also denying its existence. Consider this statement from the assistant managing director of a retail group, himself the son of a railwayman:

"Well, it still exists. And having come up from the so-called working class, and I still consider myself working class - I don't know

what it means frankly. You know if one talks of working class, middle class, upper class, I don't know what it means except as snobbery whether it comes from one end or the other . . . I don't think those terms have very much relevance except to the individual who wants to consider himself upper class. Does it mean he dresses better, has a million in the bank, or what, I've no idea. And middle class, he is a professional man or doctor, does he live in a better neighbourhood, does the working class man have a council house? I don't know."

Other men who had been upwardly mobile testified to the effect that it had had on their lives. They include a man whose father was a clerk, but who was sent by a wealthy aunt to public school; he now supports the Labour party, including its proposals for planning agreements, and the TUC proposals for putting employees on the board. He dismissed the CBI as 'a Tory-ridden lot'. He did not send his own son to public school.

This group is highly aware of differences in attitudes between different social classes. Another son of a minor public service employee, now a director of a very large multinational defines class this way:

"Yes, there are groups in society who identify with each other very clearly, and it's very difficult for these groups to have a sensible conversation with each other because their philosophy and ethos is different . . . There is a group of people who, by their character, probably don't save, believe in collectivism rather than individualism, probably are not of high intellectual achievement, probably but not always. And there's the stockbroker belt, the Highgate¹ - whatever you wish to call it. The upper middle class which is more competitive, is selective, has more wealth, has more educational achievement but is not necessarily public school."

1. This man identifies himself as living in Highgate which is 'faintly pink'.

This man says his parents come from the lower middle class. He also has pointed out earlier that he has lost his Lancashire accent over the years, and says:

"It would be very difficult for someone who went to a secondary modern or the D-stream of a comprehensive to change rapidly enough to end up at the top of this company. I think there are a lot of problems. I can think of one man I know, who started off as a barefoot newsboy in the East End of London. He's an able man and obviously very pushy, but it's been a hell of a stretch for him. Whatever we say about it, there is a barrier; if your voice doesn't sound right, or if you go drinking in the evening instead of playing golf - it does make a difference. And it pulls the wife with him as well, and it's much more difficult for her."

This revealing comment on the problems of social mobility was echoed by another of the highly mobile who headed a small service company, but had made a great deal of money, and had been Lord Mayor of London:

"I think there is a social class here which is created by education. May I put it to you personally. I've already explained my background. I found it very difficult to make progress in certain areas of life when I'd achieved a certain degree of financial progress because of my background. But as you know I went into civic life because I felt a need to express myself other than in business, and as a result of my progress, shall we call it, in civic life, I have been able to make entry into every aspect of social life. That was the result of being successful in finance, and having the time to devote to it, and the rewards all came after I was 45 to 50."

7.15.3 The Traditional Upper Class

If class is problematic for those who have experienced high upward mobility, it is problematic in a sense for the social elite, the traditional upper class also. They have to come to

terms with attacks that suggest they owe their position to nepotism, going to the right school and the old boy network, and even the disparagement of other businessmen. Of course, one can ignore the attacks putting them down to the 'envy, hatred and malice' of misguided socialists, but an interviewer asking questions in a sense provokes the subject.

There are several ways of reacting: the first is to align oneself with the middle class, or to present oneself as a manager, or a meritocrat. Thus one merchant banker, whose family had run the bank for over 200 years and who was a member of the aristocracy, declared that he had "one foot in the upper class, one foot in the middle class", because "I think a lot of my values are professional. I think that I tend if I may put it in a flippant way, to think that the upper class consists of 25 dukes, and that the rest of us are middle class."

Similarly another man who saw the public schools as dividing society, added the landed gentry as a further class. Asked if he himself was a member of this he said:

"Yes - in Murrayshire I am. They think I'm mad, I think they're mad."

(Q: Why is this?)

"They think anyone who doesn't have to earn a living, as I don't actually, is mad to go and do so. And in the same way I feel they have no pride in achievement, because they don't actually do anything. They're living in the past."

In these statements, though class is defined its importance is denied, at least for the respondent, whose values he says are of achievement, efficiency and enterprise. Another

man with an Eton-Oxbridge-Guards background said:

"For my generation of management what we are concerned with is people's professional ability - and the difference is the people you regard as being efficient, successful, committed in their own field - and the fact that Sir William Armstrong was from the Salvation Army - the fact is that William got himself into that position, that's what counts - and I think this is the view of my generation in business."

(Q: This is the meritocratic view?)

"That's right."

An alternative reaction, however, is simply to refuse in effect to talk about class. The man may or may not give some indication of knowing what class refers to but then the interview is curtailed.

Thus, just as the discussion was getting underway in one interview it came to:

(Q: It is wealth that creates classes?)

"Wealth is the starting factor: it's the main thing. It's hereditary and everything else if you want to start talking about upper classes. You may want to live in a certain style but if you haven't got the money you can't."

(Q: Is it only money?)

"I haven't really thought about it. I'm not interested in class. I'm not class conscious."

(Q: Do you see an upper class?)

"A small one."

And the questioning went no further.

Amongst the 130 men interviewed, the numbers of the traditional elite who reacted in a distinctive way to the topic of class was about nine.

7.15.4 The Outsider

The last very small group with a distinct attitude to class one may call the outsiders. They are men who were born and usually educated outside Britain, and they therefore take what they consider to be a detached view. To some extent one can add here members of some minority racial or religious groups who see class as irrelevant to their own position, for example, the Jewish family businessman who stated:

"I'm Jewish and Jewish people are able to move through society in many ways - but so far as having the education goes - and make no mistake Jewish people set a high value on education - we're looking for other things - and it's not that sort i.e., class prejudice of prejudice we're worried about."

The foreign born men saw Britain as very class conscious compared with other countries. They mentioned particularly the public school system, and its divisiveness as they saw it. Their account of class was clearly autobiographical. Depending on circumstance they could see themselves either as shunned by the upper or upper middle class because of their foreign origins, or else as classless because their background could not be identified. Amongst this group was the man who headed a small service company who said:

"I think one of the great advantages of being a foreigner, although I don't consider myself a foreigner for most purposes, is that for this purpose I am classless. I am upper middle class, but it means nothing because I don't share the background of the upper middle class to any extent. Although to some extent - I've

been to their universities and I live in Hampstead, and I look down on people who drive Rover cars. But that's very superficial. What's more important is that I'm classless."

Contrastingly, a German-born entrepreneur, asked the constraints on his ability to meet business objectives said: "Myself, personally - if you want to touch on a delicate point I've always got a sort of complex about my foreign origin - about my inability to speak English as well as you do." This man's business brought him into contact with the steel industry, and his model of society consisted of the nobility-aristocracy, "like the steel barons", a managerial class of people who had made good, "who've come from the bottom and made a fortune by sheer sweat and toil", (like himself?), the middle class of professionals and shopkeepers, and the "working classes".

Another foreign born man showed a similar concern for the nature of the upper classes and the impossibilities of entering it:

"When I go to my club which is the Reform here, or I go to the House of Lords for lunch, everybody treats me very nicely, but I know, and you feel this slight invisible barrier."

(Q: You still feel there's this thing about being a foreigner and not going to public school?)

"Yes definitely. It's not strong like anti-black or anti-semitism, but it's there. Let's get back within these four walls to J _____ H _____, with Eton, the Guards, an MC, a most perfect English gentleman; he's very nice to me but he's not with me as if I am one of them."

(Q: Is this really so - the Warburgs, for example, must now be accepted?)

"Sigmund Warburg is 72, of German Jewish origin, a brilliant banker, highly admired. I'm also admired in the country and in industry, but being admired for your work and success and being accepted in the country home at the weekend is a great difference. Not I don't mind because I've got my family and my friends. But one must bring it out because between the educated (public school) class and the workman's class in the mind of the workman I am in the H _____ class - he makes no difference between the H _____ and me. It is a terrible gap and it will take at least a generation to close it."

(Q: So there's two classes - the educated and the workman's class?)

"Well, there are three classes aren't there, although I always find the middle class terribly difficult to define, because I know a lot of people who are not workmen by any means but who are not the upper middle class"

But the outsiders, again, comprise only a small group among British businessmen; in this study there were seven of them.

7.16 The Themes of Class Imagery

We have discussed some minority groups who reacted in a distinctive way to the topic of social class, and whose answers seemed to fall into clear patterns. Yet, as we have already seen, the responses of our sample of businessmen taken as a whole could not be easily analysed and do not fall into simple patterns, nor could they be related to the past or present experience of the men who were interviewed.

What one can say of businessmen, however, is that their images of society do reveal certain themes, which recur over and over again; themes which are perhaps indicative of strongly held beliefs about the nature of British society. Some of these have already been alluded to, but in order to summarise and encapsulate them, we now take a specific look at the more important ones. The major themes of business class imagery as we see them are as follows.

7.16.1 Class is Disappearing

Two apparently contradictory beliefs recur throughout the images of society of businessmen. The first is that there will always be inequalities of status and reward in society, the second that class differences as traditionally conceived are disappearing, or that class itself is on the wane. Often these ideas can occur in the statements of the same man, but they are not necessarily irreconcilable.

We have already seen some examples of the theme that class distinctions are disappearing, or that class is less important in modern day Britain than it was in the past. There are several different aspects to it: for some, as we shall see below, it turns on the idea of there being greater opportunities of social mobility than there used to be; for others the increasing affluence, especially among manual workers, has led to increasingly similar standards of consumption and lifestyle. The most frequent portrayal of this is in the matter of holidays, in which manual workers are pictured as taking their holidays in the same foreign locations as the businessmen themselves. (That many manual workers take holidays abroad is not to be doubted but some businessmen gave the

impression that the British mix more on the beaches of Spain than they do in Britain.) Thus one managing director put it that "the janitor is going to Majorca for his holidays, whereas I'm trying to work out if I can afford to take the wife and kids and the answer is I can't".

To illustrate how the lines of class are seen as blurring, here are the statements of the relatively young (46) managing director of a small manufacturing company. He himself had a minor public school and Cambridge University background:

(Q: People talk of here being classes in society. What do you think?)

"Yes, I think there are, I think they're getting very much less. I think it's almost into two groups really. There's quite a change in that those two classes are not so rigidly separated as they were before - it's quite possible to move from the lower to the upper one. I think so much of society though is controlled by people with a certain education, social background, property owning experience. These people naturally stick together, not necessarily for gain, political advantage or anything else, but because they find each other's company more acceptable."

(Q: So there are two classes?)

"Yes, one can go into the refinements of super public schools, Oxbridge and so on. I don't think that's very relevant. I don't think there's an upper class, upper middle class, lower middle, working class as there was. I think there's a line much further up near the top which is a kind of mixture out of what was the middle class and upper class, and this is true in certain situations and in certain institutions it is quite marked."

As we can see, class is blurring - yet class persists.

7.16.2 A Second Theme: The Inequality of Man

This apparent contradiction between the picture of class as permanently with us, and class as disappearing is the result of the director's picture of the transformation of the social system. We are generally held to be moving towards a meritocracy; thus, it is the old class distinctions based upon hereditary position, accent, and where you were educated which are thought to be breaking down. However, it is the ideal of the meritocracy as a kind of ladder along which the individual's status (and income) will be related to his education, ability, training and position in occupational hierarchies that the businessmen see society moving to and in this sense class will remain. Nevertheless, the predominant picture of the class structure remains that of two classes. The lower, which is partly the less educated, consists mainly of manual, routine, clerical or shop workers, is non-managerial, more prone to unionisation and differs in tastes, and leisure interests to the upper, better educated, potentially managerial group. In a sense here slightly differing images of society can be held even by the same person because they express not only ideals of society, but also changes in society.

What the meritocrats share with almost all the other businessmen is a belief that promotion in the company is by merit, and tied in with this, the view that 'we all work for the company', 'we're all workers now'. The chairman, now retired, of one of Britain's ten largest companies put his views this way:

"I firmly believe there'll always be a class system. The only thing that changes is the criteria by which the classes are defined.

It used to be by brute force - the survival of the fittest. What happened then, blood, I suppose, inheritance. Now I suppose we're into the era of the technocrat. I think there'll always be a class system so long as babies are born with unequal intelligence into an unequal environment . . . No, I think ability will always qualify someone to be better than someone without it. So even if they start level they will become an upper class."

7.16.3 The Importance of Education

Class and inequality are maintained by success in occupational hierarchies; and that in turn follows from inequalities of intellect and ability. Yet it was also accepted by many businessmen that rather more is needed. Specifically, what is required is the right education, and upbringing, which in turn indicate attitudes which themselves differentiate social classes. Thus, as we saw earlier, in talking of social class, businessmen refer more frequently to education than to any other attribute, and in this they differ from other groups in British society who see differences in class first and foremost in money terms. Here is just one example of how businessmen emphasise the part education plays in the social structure:

"Yes, I think there is a class structure. It's largely educational now. It's got nothing at all to do with background and income. I think we are moving from an inherited kind of class structure to an educational class structure where unless one gets into a particular educational system at a particular age, you are locked out for the rest of your life. I think we have swapped one situation where one's academic achievement didn't mean a goddam thing, as long as you had the right father, to another where your achievement in the educational system is going to precondition largely what happens in the rest of life. We're between the two systems."

Because education is so important we should not be surprised that not only top businessmen, who can afford to fairly comfortably, but many others of the middle class strive so hard to give their children private, and preferably 'public school' education. Though we did not enquire, we have no doubt that the vast majority of the businessmen interviewed had educated their sons at least at public school. Yet at the same time, the importance of education in the class structure is seen as leading to a more socially mobile society.

7.16.4 Society is More Fluid

Businessmen liked to emphasise that society is much more socially fluid than it was once, say before the War. Anyone can be socially mobile if they get the right education, and since anyone with sufficient ability can go to university, so it is thought, anyone with ability and drive can make it to the top of the company. Directors consistently stressed the openness of promotion to the boardroom. When asked why it was that a majority of directors were from public school, a very frequent response was to suggest that this would no longer be so (or assert it was not so), or to quibble over the definition of public school. On two occasions the man being interviewed declared that a majority of his board were not from public school, then checked through them only to discover that a majority in fact were.

However, the businessmen did see it as more difficult for the son of a manual worker both to get to university, and to get to the top in industry. The reason for this they ascribed to the different effects of home influence, believing

that middle class parents would provide a more stimulating home life and one more conducive to academic success. They ascribed the success of the public schools to this, rather than any particular benefit of the schools themselves.

Thus, directors tend to believe society to be more open than it is. They are constantly aware of, and can name, those top businessmen who have come up from lower social strata. This belief in the openness of society leads them generally to feel that class would wither away - if only it were allowed to.

7.16.5 Class is a Political Weapon of the Left

The stumbling block from this point of view is the political left-wing, whether in the guise of the Labour party, or leading trades unionists. They are seen as using class to 'stir people up', to create 'envy, hatred and malice'. As one man said: "It seems to me I hear a lot of talk about class from the left, but very little from the political right".

Businessmen in particular resent the term working class, since for them it conjures up an opposition between such a class and a leisured class with which they would be mistakenly lumped. Directors were sensitive to misconceptions of boardroom life, of it being 'all Rolls Royces, cigars and three-hour lunches', or of 'fat men, living off company profits'. They did feel such misconceptions to be fairly widespread.

This notion of class as a concept sustained and used by the left, could sometimes be applied also to the concept of the two sides of industry. Here, for example, is the statement of a family businessman:

"I reject this two sides of industry story. We were getting on so well in the 1950s and early 1960s. After the war, the war did a hell of a lot to break these class barriers down. When I was working on the shop floor you weren't aware at all of any distinctions. Such distinctions are in people's heads. . . . Society was becoming more affluent and the so-called class war was being ended or so it seemed. But in the last two to three years politicians and the left wing have seen fit to whip it up again. Even in Australia which was always a classless society, we've seen this being created in the last two or three years. And this does affect us in business."

7.16.6 Awareness of Other Views of Class

Yet although the left wing, or the agitators, are seen to use social class as a weapon, businessmen did in some cases show some awareness of hostility from below, and of rather different attitudes from their own workforce. Only a minority specifically said so, but there were at least some who perceived that other groups, most specifically manual workers, did not share their own conception of society.

Thus, one of those men who took a meritocratic view of society said:

"One of the things the shop floor never liked me to say was that I was one of them once."

(Q: They don't like that?)

"No, no - it cuts across their mores, you see - that you can't do it."

(Q: There's just the bosses and us?)

"That's right. It's as perceived."

And the retired chairman quoted above, who 'firmly believed' there would always be a class system, echoed this comment,

(Q: The terms working class, middle class, upper class have tended to imply other things?)

"Yes, I've argued with our shop stewards - that the - board consists wholly of workers. They all look at me with dumb dissatisfaction on their faces."

(Q: They don't agree with that sort of thing?)

"No, because they see it as a class deal; but the way in which they define class, I don't know, it's the authoritarian class."

(Q: Those who have management authority?)

"Yes, yes. The authoritarian powerful class rather than anything derived from wealth or inheritance."

And on a few occasions reference was made to the 'them and us' attitudes which sociologists have associated with the traditional worker. For example:

"There is an us and them attitude, too much of it. When I'm doing political canvassing, the number of people who say 'I'm not going to vote' - those who say 'they're all in it for what they can get out of it'. There is this attitude, a working class attitude. 'Them' are the people who organise things - the council or council officers, the Government, and management, the bosses in any form. 'Them' are always supposed to create a jolly good environment for us."

7.17 Conclusion

At the beginning of this chapter we warned that it would be lengthy and somewhat complex in content. We doubt that at its conclusion readers will dispute this. Let us try, therefore, to draw together some of the strands from it, and come to some conclusions about businessmen's views of class and status.

At a simple level we may conclude that businessmen hold what sociologists have usually called 'status' or 'prestige' models. That is that rather than picturing society as two basically opposed groups they tend to see it either as a more or less continuous hierarchy, or else as several classes, most usually three or sometimes four. In addition, these classes are not divided on some crude basis, such as 'workers and us'; 'the mass and us', but rather class/status divisions are seen as differences of attitudes and lifestyle resulting from a number of factors such as differences of income, education, occupation and family background. It is important to remember also that respondents do not draw the distinctions between class and status which are made by sociologists.

It has proved impossible to relate the businessmen's views of society in any simple way to their present or previous work situation, to their personal ownership or otherwise of capital, nor to the other aspects of their social background which we examined. We shall consider the implications of this for sociological theory in Chapter 9.

However, at this stage we also wish to ask whether the implications of what are called 'status models' have been correctly anticipated in the literature. The contrast that is

usually drawn is between the 'us and them' attitudes of the traditional manual worker, and the 'deferential' attitudes of some kinds of manual workers, which in turn is sometimes conflated with the middle class 'prestige' model of society. Arising from our review of the literature (Chapter 2) we may remark that manual workers of the traditional type appear, in fact, to be a minority group, even in the communities in which they might be expected to be most prevalent. And, on the basis of our analysis of businessmen's attitudes, we would suggest that their (middle class) viewpoints quite frequently contain elements that suggest a clear division between classes. To be sure, this is not a division between 'bosses and others', or the 'us and them' relationship seen from the other side, for the upper of the two groupings comprises groups other than bosses, but it is not merely either the division of society into a series of levels, with people on each level being variously worthy of deference.

The sources of the businessmen's images of society are not 'local social status systems' of the kind described by Stacey (1960) and others. That is they are not the result of living in a small community where people's whole life history and family background are well known to other members of the community. They are only status models to the extent that they do not put primary emphasis on either a person's market and/or monetary income position (except to the extent that education is seen as giving some groups a better placing in the market) or a simple division between 'bosses and men'. Rather they depend both on objective factors and the perceived results of these such as attitudes, tastes, interests and lifestyles.

Such models are only to a limited extent models of society as hierarchical structures of varying statuses; rather they incorporate a sharp discontinuity between, in effect, the working and middle class. An upper class may be recognised but it is characterised as small and declining; the major discontinuity is viewed as persistent.

It would be somewhat surprising if this was not the case. The top businessmen studied here are quite different from, for example, the lower grade clerical staff, or small shopkeepers who have formed the basis for most previous conceptions of middle class social imagery. Such an elite is not concerned about maintaining its status in the face of encroachments on it by groups of manual workers, nor do members of it worry about whether to join a staff association rather than a union. Equally they are not concerned to define the minutiae (as they would appear) of differences between respectable and rough working class, between skilled, semi-skilled and unskilled workers, or between people who live in one part of a London suburb or another.

Shielded as they are from the major division of class structure, having powers of access both to the traditional upper class and (as we will see in Chapter 8) to the national powerholders, businessmen must largely glean their conceptions of class structure from sources, most notably the mass media, which may well present a picture, ultimately, of 'two nations'. A number of features of British society reinforce this: for example, a constant friction seems apparent between the TUC and CBI; more than other European nations political life has been dominated by two major parties;

approximately half the working population is now unionised; approximately half own their homes, and so on.

Now, as we saw in Chapter 6, it was not the case that the businessmen took an 'us and them' view of relationships in the firm. To judge from the interviews this was not their habitual stance. However, the continuities in their images of society do present a picture of two groups which differ, and differ not only in the jobs they do, and their educational backgrounds, but also in their aspirations, attitudes and tastes as well. It would not be surprising if directors regarded the mass of the work force as a group with which close personal identification and communication would be almost impossible, and that in situations where conflict from below is perceived, (e.g., strikes, go-slows or other forms of industrial unrest) their attitudes may harden towards a conflictual, an 'us and them', perspective.

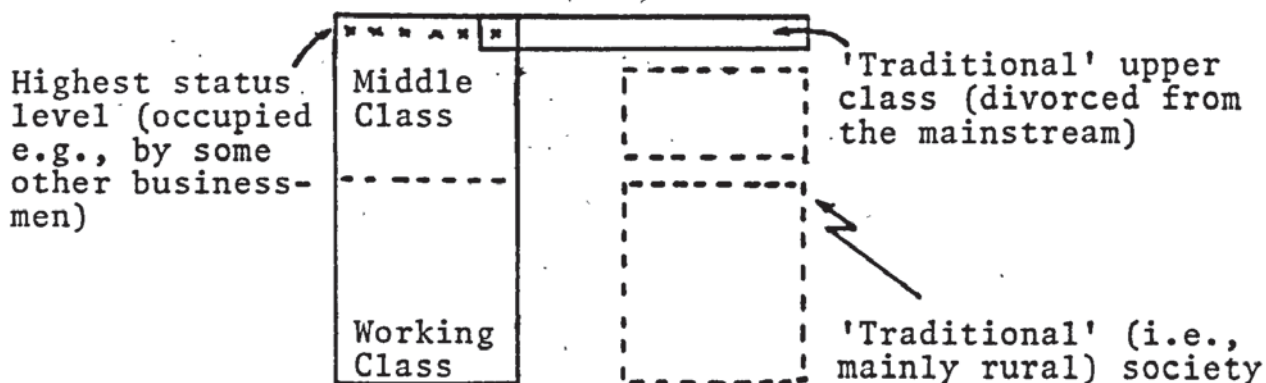
Whether or not this is so it was clear that a number of those interviewed were aware of such attitudes amongst some manual workers towards higher management. It was most obvious in those cases where respondents specifically contrasted their own view of society with that of such workers.

Thus, we suggest that the dominant image of society amongst businessmen contains a specific contrast between two major groupings, the middle and working class. And these are two groups that could be said to have competing interests: the middle class, being individualistic, concerned to promote the free market for those with skills, and training (or capital), which is to their benefit; the working class devoted to the collectivist ideal, seeing its future in union action, and in the extension of the umbrella of the State, which by its intervention in the economic sphere may create the conditions in which

collectivism is most successful. (Though businessmen might not draw such conclusions overtly.)

We make this suggestion despite the fact that the majority of businessmen apparently see a three-class, not a two-class, model of society. As we have shown the three class model of society is the one which has appeared most often amongst respondents' images in a number of studies including this one. However, we would argue that the very terminology available to people to talk of social class, that is working, middle and upper, tends to make such a finding inevitable (see Section 7.12 above). Many of our respondents made it clear that the group they understood by the term upper class was not an important or influential one, it was, in a sense outside the mainstream of society. Whilst the aristocracy and the very wealthy would be seen by most people as being of the highest status, the men many businessmen seem most to admire were certain other leading businessmen (for example, Sir Arnold Weinstock). We might represent this situation as:

Fig. 1 Businessmen's 'Picture' of Society



If businessmen's social class/status image of society is fundamentally a two class one, then it partly explains why the majority do not regard themselves as part of an 'upper class' which is a cohesive social, economic and political elite. The term upper class does not apply to such a group. And indeed it was when we found mid-way through the study that our respondents disavowed themselves as a social or wealth holding elite that we began to make a specific investigation of their picture of power - and found there that there is a group, often called the establishment, around which power is often thought to be concentrated (see next chapter).

Yet, although our respondents held to a large extent dichotomous models of society, we must also point to important factors that mitigate against them holding class models as such. A fully developed two-class model of society implies the possibility of conflict between the classes, of divergent interests between them; and of unequal life-chances experienced by members of each.

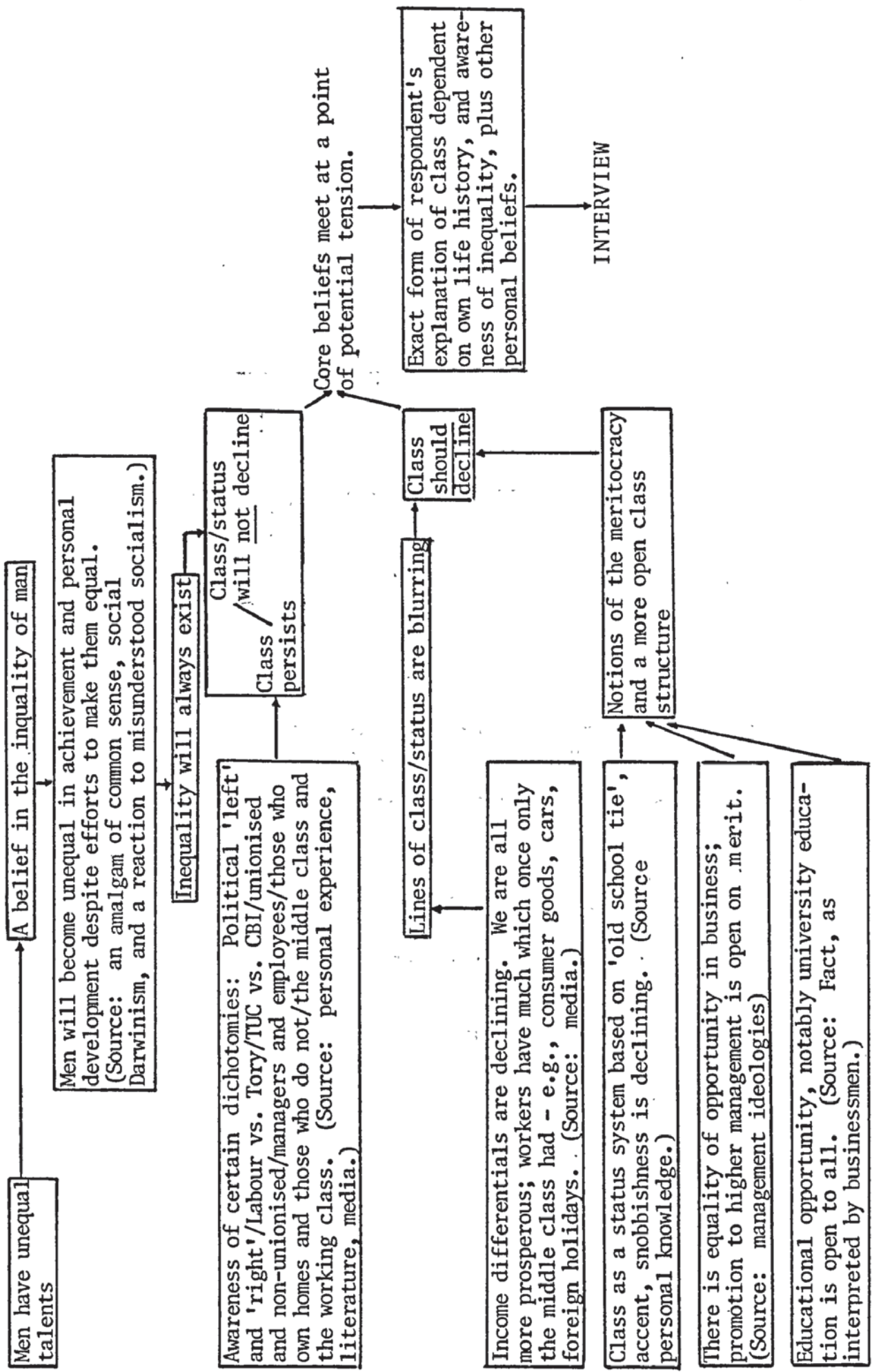
Yet businessmen were often keen to stress the need for social cohesion or unity, especially at the level of the firm. They did so too in the context of the distribution of income and wealth, where an often expressed opinion was that 'we should get on with making a bigger cake and worry about sharing it later'. They regarded talk of class as coming from the left, and as being intended to cause social unrest.

Thus, in our view, businessmen exemplify the problem facing a privileged group in a democratic capitalist society. There is a bar to the extent to which class consciousness can be developed. A privileged group cannot enter into open class warfare, and whether or not members of it recognise the

existence of classes, they must at the same time disavow the importance of them. Thus their reaction to change that threatens their position may not be class-based and may, in fact be largely piecemeal and pragmatic, even though they have the abundant opportunities for cohesion and conspiracy identified by the elite theorists.

We have tried to bring together the strands of thought contained in this and the previous section in one diagram below. This identifies the most important, the core beliefs as we call them, of businessmen. We show here the point of possible tension we have been alluding too, and suggest that the interview data reflect the ways in which businessmen resolve the tension, these ways themselves being moulded by the businessmen's own personal backgrounds, previous life experiences, and intellectual and cultural influences.

Fig 2. An Outline of some Core Beliefs of Top Businessmen



CHAPTER 8

BUSINESSMEN, POWER AND THE STATE

'Whitehall tends to invent a lobby
even where none exists.'

(J. Bruce-Gardyne & N. Lawson:
The Power Game, 1976)

"Hey, Larry, do you think the
Establishment exists?"

(Chairman - food company)

"It exists when I'm not in it,
but if I'm in it, it doesn't."

(Director - food company)

BUSINESSMEN, POWER AND THE STATE8.1 Introduction

So far we have seen that the majority of the men who control Britain's larger companies do not, apparently, regard themselves as members of an upper class or an elite in terms of social status. We had concluded that most, in running their firms, conceived of their role and objectives in terms that were not at variance with those to be expected of capital holders, but we do not see the uniformity of viewpoint as based on recognition of common class membership. Likewise, whatever objective differences may set them apart from the mass of population, a majority of those giving any class allegiance called themselves middle class, and many distinguished an upper class both as separate from them, but also in some ways as unimportant.

Such findings may perhaps be thought surprising and they should certainly not be misunderstood: most of those interviewed seemed to be well aware of their responsibilities within the firm, or put another way, the power their position gives them, and whether or not they played down their status, and its associated trappings, a number certainly showed signs of understandable satisfaction at having reached the upper echelons of their companies.

That many top businessmen did not regard themselves as part of an 'upper class', a 'ruling class' or even a 'power elite', using the terms to refer to a single unified national grouping, had become clear after the first phase of interviewing (that is the first sixty). The discussions of class and status as such appeared to lack a dimension, however, and that dimension is that of power. We saw in Chapter 1. that theorists of most kinds have seen the business elite as able to some extent to exert power outside the company, and most importantly to affect the nature and course of State decision making.

Put simply the possibility arose that, despite what businessmen say, they may act as a power holding group, and conceivably that they act to such an extent as to maintain the position of a class. The decision was taken to include in the remaining interviews a series of questions specifically concerned with businessmen's responsibilities and power vis-a-vis the State. This was done in the full realisation of the controversies that surround the study of power, and that the number of resulting interviews on the topic would be even smaller than those of the study as a whole, and thus make it even more difficult to draw strong conclusions.

In fact we believe that the position of those who were interviewed made the additional questioning worthwhile. Few sociologists obtain access to such respondents, and

thus very little is known of how the business elite do see such issues. The nature of the data does indeed make it hard to draw conclusions, but nevertheless it does present interesting hypotheses on which it is hoped future research will be built.

8.2 Rationale of the methodology.

In Chapter 1. we discussed the range of roles that businessmen could play with regard to the State according to different theoretical perspectives: Marxist, elitist, pluralist, corporatist. To some extent different methodologies have become associated with different theoretical perspectives on power. Thus pluralists incline to the study of decision taking at local and governmental levels, and the outcomes of such decision taking¹. Their opponents, more disposed to see a unified power elite, have asked what kinds of people (in terms of wealth, social background, family connection) gain high office in different institutional areas, and what kinds of access they have to those in other areas: or else they have pointed to the ability of certain groups to define the issue areas that become available for decision taking, and to prevent decisions being reached at all in some areas. A still more radical approach insists that the capitalist system

1. References are not given here. The discussion in Chapter 1. should be consulted.

is maintained by a combination of political (and in extremes military), social, material, cultural (and specifically ideological) factors, and that the key to answering the question "Who has power?" is to ask "Who benefits?". In effect this, the Marxist (or radical) view, suggests that a privileged class has power if it can maintain its position, and that the less the operation of its power is observable, especially in the form of force or political decision-taking, then the greater and more effective that power is.

The evidence we shall offer in this chapter will not fall clearly into any one of these methodologies. What we offer here is the one sided viewpoint that businessmen themselves have of their situation with respect to decisions, nondecisions and policies pursued by State officials. Clearly from some of the perspectives mentioned evidence that businessmen did have direct access to, or influence over state officials, would indicate their membership of a ruling, or privileged class: yet evidence to the contrary would not indicate the reverse, ie. that they were not members of such a class - it would merely tell us something about the mode of operation of capitalism.

Equally, however, because we shall be concerned with the viewpoint of businessmen it is outside our brief to demonstrate that businessmen and state officials share the same class background, have the same education and cultural background and interests, share the same

pursuits, clubs and so on. Nor have we taken a range of pre-selected decisions and asked who was involved in taking them and the nature of the outcome; nor do we demonstrate how businessmen prevented issues from reaching the decision making arena. Rather our approach, relying partly on open ended interviews, partly on statistical data, allows us to identify the forms of political and influential action open to businessmen, the range of issues on which they may be involved; and it gives some pointer to the types of action preferred by them.

The interviews covering these topics, it will be recalled, were held with 19 main board directors, 9 retired chief executives, and 42 full time chief executives of industrial and commercial firms in the top 250 by turnover (or the top 180 wholly British owned firms using dual criteria). The statistical data presented here is based on our sample of firms, rather than a fuller sample of British firms, because it was easiest to collect such data for firms which were actually part of the study.

8.3 Outline of the Argument.

We may identify the following ways in which businessmen can wield power in, or exert influence over the State apparatus¹:

1. By directly gaining office as an MP, and more so, as a Cabinet Minister, or else in local politics.

1. Cf. Finer (1955).

2. (a) By holding high position in the civil service, or
 (b) by participating on Royal Commissions, Committees, the boards of Nationalised industries, 'quasi-autonomous government bodies', and on the adjuncts of these at local level: eg. Area Health Boards.
3. (a) By holding high position in a political party (in Britain very often the Tory party), by participating in party activities.
 (b) By funding a party.
4. By access to or ability to influence those who hold positions set out in 1-3, which in turn can come about through:
 - (i) Private connections, formed through family, kinship, educational, social and other contacts, or indirect networks of these using intermediaries.
 - (ii) Shared 'class' interests, assumptions, cultural definitions which further direct contact between state officials and heads of private firms, or
 - (iii) Shared objectives which produce the same result. (Eg. national economic success) or
 - (iv) Situations of mutual interdependence. (Eg. civil servants requiring the assistance of businessmen.
5. Blackmail, bribery, crude force in various forms. Such methods will not be considered. (Which, in view of what has been revealed of the behaviour of some firms since the study began may be considered an oversight.)

The argument here will be that businessmen have moved, over the course of this century, and can be expected to further move, from a situation in which they were frequently in positions in which they themselves took political decisions, (that is were members of Government or MP's) or were highly interlinked with such people, and one in which they could certainly count on a set of shared objectives and assumptions by people in such positions, to a situation in which they have to attempt to influence those in such positions, often by direct approach to them. In other words, much more than before, they have become lobbyists. However they are assisted to some extent by increasing involvement by the State in economic and business activity, which creates a situation of mutual interdependence between State officials and businessmen.

In terms of the typology set out immediately above, we are suggesting that whereas businessmen could influence State activity through channels 1,2,3 and 4 (i), they now utilise 4(iii) and (iv). However 2(b) continues to provide an important range of contacts between businessmen and State officials.

The period 1974 - 76 was a particularly good one in which to be investigating these issues since the manner in which the Labour government was returned to power, and the policies which they proposed, suggested at least the possibility that this would be a more radical government.

than that of the 1964 - 70 period. At the very least a period when Labour is in power provides a much better test of Marxist or power elite theories, since the kind of evidence furnished in support of these in the past - drawn on the basis of shared educational backgrounds of government MP's and businessmen, shared club membership, family interconnections, MP's business interests, and the position of MP's or Cabinet Ministers on the boards of leading companies - is all too easy to find when a Conservative Government is in power.

8.4 National versus Local Politics.

The first hypothesis we will put forward here is that the business elite are less likely to be involved in affairs of a local or regional nature than they formerly were. If they do become involved with politics it is increasingly likely to be in the form of action at a national level, and furthermore to centre on London. It no doubt remains true as others have shown (eg. Stacey et al (1975), Musgrove (1963), Pahl (1965)) that managers, administrators and high professionals continue to dominate local politics and local voluntary associations. These people are not synonymous however with those at the very top of large companies.

The present situation contrasts somewhat with previous times when 'captains of industry' frequently did take a major role in the activities of their neighbourhood.

(That there has been a change we will attempt to demonstrate in the next section.) There are several reasons which may be suggested for the change.

Far and away the most important is simply lack of time. As companies have grown, and become more sophisticated, so being a main board director appears to be regarded more and more as a full time occupation. Those employed full time at the top of firms according to all estimates (see Young and Willmott (1974), Copeman, Lingh and Hanika (1963), Child and MacMillan (1972)) probably work longer hours than almost anyone else in the firm. In addition, as firms develop into multinationals, the top men must spend a considerable part of each year overseas, and this is highly disruptive of any regular outside commitment.

There are however other reasons. In Chapter 4. we indicated how large companies seem increasingly to desire a London, or at least South East, headquarters. This means that top businessmen in turn live to a large extent in the South East, where there is in any case a relatively high concentration of managers, professionals and other white collar groupings. There are simply more of the kind of people who do get involved in such activities around to do them. As we saw there are parts of London such as areas of Belgravia and Knightsbridge, where so many top businessmen live, that if even one in ten competed for a place on the

local council, it would be readily filled. Businessmen's concern with national affairs may also reflect a realisation of an undercurrent of centralisation of political decision taking. Stacey et al. (1975) for example, point out that many important decisions affecting Banbury are taken quite outside the town.

Allied to such changes would appear to be a change in the businessman's view of himself. When the great industrialists of the nineteenth century - the Cadburys, Rowntrees, Pilkingtons and the like - took a leading part in local affairs, they were adopting a similar position to that of the local landowner or member of the landed gentry, often in a rural context. Indeed Coleman (1973) indicates that part of the drive to succeed in commerce was to be able to mix with such groups, and to play the role of gentleman. This tradition appears to be going. Businessmen's comments on their non-company activities entirely supported these arguments.

At one stage the seventy men on whose views most of the arguments in this chapter are based were asked whether they felt that businessmen such as themselves had any particular responsibilities outside the company. It was not always easy to get those who answered to talk in terms other than of their responsibilities as directors to serve the interests of shareholders, employees, customers and all the communities in which the firm operated - that is

the balancing interests ethos, as discussed in Chapter 5. Those that did split fairly equally into three groups giving answers as follows:

- (a) businessmen have no greater responsibilities than any other citizens in their private affairs.
- (b) businessmen have no greater responsibilities, but they bring to outside activities skills, experience and knowledge that most people do not possess, and thus may prove valuable participants in outside activities.
- (c) businessmen have a clear responsibility to involve themselves outside the company.

Answers of types (b) and (c) are not always easy to distinguish in practice, but this is of lesser importance here. What the answers do indicate is support for the argument above that the business elite's involvement outside the firm has changed in nature. Here first is a family businessman talking of his predecessors:

" They had a special place in the community. In those days they had more power. They were a very enlightened family. Put a lot of time and money into the community. Their position in the community was one of great power the family had a position in the community which no one else approached. Now it's completely gone. Now we're just doing different jobs running the company."

Another family businessman put it rather similarly:

" I think the big difference is that looking in terms of my family they were very much involved

in local government - they provided a Mayor of -----, they sat on many of the committees of the city council, they gave the land for the hospital. The big difference now is we've become more compartmentalised. It's now not possible to have influence of that kind in several different fields, a. because the job is more demanding and b. because it's unacceptable anyway. The last member of the family who stood to be an MP was defeated by one of our own work people."

One of the bureaucrats whose father had also been chairman of the same company pointed to the switch from local to national activity:

" (Before the war) my father was a large fish in a small pond, and indeed seemed to be quite big in the area. And had I should think in the area a very considerable influence. But outside in the wider world, no - probably he was not known. I suppose now, the company's larger, the men don't change - but they don't necessarily appear big in the community they live in, because they're not always there, or they're not there a lot of the time. But they do appear bigger in the larger world."

(Q. So your father would have been known locally, whereas you'd be better known nationally?)

" That's right - you give up a certain amount of contact locally, and exchange it for a wider notoriety, if that's the word, outside."

We shall see below that there has been something of a change in the nature of involvement at the national level. This we will suggest is more likely to involve activities of relevance to the firm itself, or business in general. Part of the reason for this, as we said, is that businessmen feel their jobs to be demanding. As one bureaucrat, director of a large multinational, said:

" I feel that if you do the kind of job I do it's very difficult to have a consistent role in the community. I would very much like to be an MP or a member of Camden Council, but such political activities as I had I felt obliged to give up

because I just didn't have the time. So weighing it all up I feel that if I can do a good job in the company, and look after my family it's about as much as I am physically and mentally capable of. So this really means that effective work in the community will have to wait until I'm retired."

The statements above reflected, it seemed, a changing pattern of involvement by businessmen in politics and voluntary associations at the national and local level. They suggested the following hypotheses:

1. For a variety of reasons members of the business elite are less likely than they would have been in the past to take part in local affairs, political or otherwise.
2. More importantly they would play a lesser role in national politics, either as MP's or in party politics.
3. However more everyday evidence suggests that a range of bodies now exist which give businessmen access to and potential influence upon politicians and civil servants. Amongst these are the NEDC, the CBI, various business-government committees, the boards of nationalised industries and a whole range of what are called "QUANGOS" or quasi-autonomous government organisations. One may suggest that this kind of activity is as strong or stronger than ever.

8.5 The Changing Nature of political Involvement

To attempt to verify in a limited way these hypotheses, we examined all the voluntary and political

activities of chairmen and managing directors of firms in this study. Their activities were examined in the years 1925, 1950 and 1975 to see if trends were apparent which supported the above hypotheses. The reason for taking firms in this study was that they gave a limited sample of firms to examine, and reduced the total amount of data collection, since data had already been collected on the present day heads of the firms. The sample however is clearly not a representative one of British industry: it is, for example, very highly weighted towards very large firms. This however is not a failing since it is the heads of these that are most likely to have political influence. A more serious criticism would be that although we have adequately sampled the large (ie. top 100 and top 250-101 by turnover) firms of 1975, these were not in many cases the large firms of 1925, or 1950. This would be a most damaging failing of the methodology were the argument the reverse of what it is: ie. that direct political or local involvement had increased. In fact our methodology underestimated the involvement of top businessmen in 1925 (and 1950), the more so because many of the very large enterprises of those days - for example the railways or the steel companies - were then private but now fall outside our sampling frame.

The methodology is as follows: from the Stock Exchange Yearbook of 1975, 1950 and 1925, and other reference works, we established who were the chairmen or managing directors of firms in the study. From Who's Who we

then looked up their political commitments of various kinds, and we have tabulated the results below to show the lessening involvement in some areas and maintenance in others in absolute terms. We draw our conclusions only on the basis of absolute figures, as percentaged figures grossly exaggerate the involvement of past generations (because businessmen appear to have been less likely to be in Who's Who).

The areas taken for consideration are as follows:

- | | | | |
|-----|--|---|---|
| 1. | Being a Justice of the Peace |) | |
| 2. | Sheriff, Lord Lieutenant, Deputy
Lieutenant of town or county |) | All types of local |
| 3. | Serving on hospital boards,
school boards, university councils |) | voluntary activity. |
| 4. | Serving as a county or town
councillor. |) | Types of local political |
| 5. | Being a Mayor. |) | involvement. |
| 6. | Being a Member of Parliament |) | National Political activity. |
| 7. | (i) Serving in the civil
service in wartime.
(ii) Being in the civil service
before entering industry |) | Experience giving possible channels of access to civil service. |
| 8. | Serving on Royal Commissions,
Government committees, eg. the
NEDC, NRDC, nationalised industry
boards, Bullock committee. |) | Channels of access. |
| 9. | High position in the FBI, or the
CBI eg. member of Grand Council |) | Political lobbying forum. |
| 10. | Having a seat in the House of
Lords. |) | |

Activities 4 - 9 are taken as being a clear sign of political influence or involvement. So as a final classification men lacking any involvement in these are called 'non-activists'.

The results of these lengthy investigations are shown in Tables 8 I (a) and 8 I (b) that follow. These tables are the summary tables on which trends can most easily be seen.

Table 8I(a) Involvement of the heads of large firms in political and voluntary activities at three points in a fifty year time span.

(a) All commercial and industrial firms: 88 in 1975

Notes

<u>Year</u>	1925	1950	1975	
Number of men on whom there is information	40	52	111	Majority were chairmen
<u>Activity:</u>				
(1. J.P.	13	7	2	
(2. Sherrif, Lieut., D.L.	6	5	7	
(3. Hospital, University Boards	2	3	7	Includes Area Health Authorities but not school boards
(4. Town/County Councillor	3	3	4	
(5. Mayor	2	0	1	
6. MP/Candidate	9(1)	4	2(1)	Figures in brackets are unsuccessful candidates. Main figure includes both
7. Civil Service (Wartime Service (Peace	5	9	2	
	1	0	6	
8. Government Committees	9(38)	15(45)	33(84)	Figure in brackets is approx. total committees by all men.
9. FBI/CBI	0	3(2)	9(2)	Member of Grand Council. () = Presidents
10. Seat in Lords	4	7	4(3)	Figure in brackets are life peers.
11. Non-activists	16(40%)	27(52%)	65(59%)	Fig. in brackets is % based on men for whom there is information.

Table 8 I (b) Involvement of the heads of a sample of merchant banks, insurance companies and property companies in political and voluntary activities over a 50 year time span

<u>Year</u>		1925	1950	1975	<u>Notes</u>
<u>Activity:</u>	Number of men on whom there is information	13	16	33	Almost all are chairmen
Local voluntary	(1. JP (2. Sherriff, Lieut, D.L. (3. Hospital, University Boards.	4 4 1	2 5 2	1 4 2	As Table I (a)
Local political	(4. Town/County Councillor (5. Mayor	0 0	1 1	1 1	
	6. MP/Candidate	1	1(1)	1(1)	As Table I (a)
	7. Civil Service (Wartime Service (Peace	0 1	1 2	1 2	
	8. Government Committees	3(4)	3(10)	7(13)	As Table I (a)
	9. FBI/CBI	0	0	0	
	10. Seat in Lords	3	5	4(1)	As Table I (a)
	11. Non-activists	7	9	22	

Table 8 I (c) Political and voluntary involvement of heads of all firms in interview study for whom information could be found over a fifty year time span.

<u>Year</u>	1925	1950	1975	<u>Notes</u>
Number of men on whom there is information	53	68	144	
<u>Activity:</u>				
(1. J.P.	17	9	3	
(2. Sherriff, Lieut., D.L.	10	10	11	
(3. Hospital, University (Boards	3	5	9	As Table I (a)
Local (4. Town/County Councillor	3	4	5	
Political(5. Mayor	2	1	2	
6. MP/Candidate	10(1)	5(1)	3(2)	As Table I (a)
7. Civil (Wartime	5	10	3	
Servants (Peace	2	2	8	
8. Government Committees	12(42)	18(55)	40(97)	As Table I (a)
9. FBI/CBI	0	3(2)	9(2)	Positions only held by men in commerce.
10. Seat in Lords	7	12	8(4)	As Table I (a)
11. Non-activists	23	36	87	

Despite the lacunae in the data that result from the lack of information on the men who headed the firms in the study in earlier periods, the trends in them certainly appear to support the hypotheses put forward and would suggest that an investigation of the heads of all large firms over time would be interesting.

We see from the tables that although more is known about more men in 1975, involvement in local or political affairs is at best maintained or else falls off in absolute terms. The two exceptions are hospital and university boards where businessmen seem to participate as much as ever (but then there are more university boards than ever for them to sit on); and government committees, where just as many men as ever are involved. Also we note the growth of the FBI and more recently the CBI as a form of political activity.

The most striking changes are the fall off in the number of men who are MP's and who are JP's. In 1925 firms in this study or their forerunners provided nine MP's, two of whom were Cabinet Ministers, and one unsuccessful candidate. In 1975 the figure is just three candidates of which only one was successful and actually entered parliament. This particular man had to give up his seat to resume his business career. The fall in the number of JP's we interpret as a reduced involvement by businessmen in local affairs, although the number of Sherriffs etc. and councillors has kept fairly steady.

The tables also reflect other social changes: industry (or possibly certain sectors) appears to like to have a quota of men who have been in the civil service: but whereas in previous times these were men who served during wars on a temporary basis, there now appears to be a certain amount of deliberate recruitment of career civil servants. Likewise although the firms between them produced eight men entitled to sit in the House of Lords in 1975, four of these were life peers.

The figures thus support the principle contention that direct political office holding especially as MP's by members of the business elite has fallen away. They thus contrast with studies (eg. Guttsman, 1963) that show that a continuing high proportion at least of Conservative MP's are company directors. We suggest that in fact were one to investigate the latter the vast majority head comparatively small firms, many of them family businesses¹. In many cases they may have a greater affiliation for and understanding of the self employed than of the men who run the massive firms that now dominate the economy (and who in turn probably dominate the CBI). It is not the case, where it once quite possibly was, that the command posts of both industry and the state are held by the same men.

1. Such an examination can be easily made by use of the Times Guide to the House of Commons (1974, London: Times Newspapers), or Roth (1975).

This at least would explain the feeling amongst businessmen, which we shall allude to again below, that politicians of all parties have little understanding of business. Thus the business experience of even those politicians who would seem prima facie to also be businessmen could be disparaged as, for example, by the entrepreneur who remarked of the last Tory government:

" The man in the street might have said to himself the Conservative government contains John Davies, Peter Walker, Keith Joseph, all significant people with lots of business experience. In none of those, or any other cases was it true. Taking those three men: Peter Walker was an insurance salesman, a good attractive sort of personality, but nothing beyond that - not a tycoon. Keith Joseph is an immensely intelligent man and was a deputy chairman of Bovis for a time, but never ever a businessman. John Davies was MD of one of the oil companies - Shell Mex and BP, I think, which was a marketing job quite honestly. They had no business connections, and their business personalities didn't relate quite honestly to big business at all."

It may also be remarked on the basis of the table above that only around a third to half of businessmen are apparently active in any era, and the figure for 1975 is the lowest of the three. Yet this figure contrasts with the interview data, in which it transpired that all but four of the seventy men had engaged, or were engaged, in some kind of contact aimed at influencing politicians or civil servants. Remove the nineteen directors from the seventy, all of whom were so involved, and we are still left with only four out of 51 (ie. less than 10%) of chief executives of large companies who did not admit to some kind of informal political contact, influence or lobbying. Clearly what can be learnt from

reference works is only a guide to the total span of businesses political activity.

So far as the figures presented above go, the main objection to them remains the fact that firms which are large nowadays may have been comparatively small in 1925 or 1950. Likewise firms that were relatively large then may have declined compared to other firms in the study. It might be suggested that it was always the heads of medium sized or smaller firms who took an active part in politics, and thus the data reveal no change. The author's own view is to doubt this. For one thing it might be asked why 40 men from commercial firms in this study produced 9 MP's in 1925, whilst the sample of nineteen firms from outside the top 250 by turnover had only one ex-MP as a chief executive in 1975.

It should also be pointed out that the mode of control of large companies may have changed over time, and that some firms now classified as bureaucrat controlled might have been family businesses, or even entrepreneur controlled in 1950 or 1925. However there was no evidence that family businessmen had in 1975 or in the past any greater propensity than bureaucrats to be involved in politics or local affairs. Rather the figures suggested similar types of change amongst both groups, though the numbers being handled here are very small.

8.6 The Business Elite and Political Parties

8.6.1. Supporting the Conservatives and aiming for freedom

No discussion of businessmen and politics can ignore the Conservative party. Indeed it may be argued that the Conservative party is fundamentally devoted to the interests of capital holders and the upper middle classes, and that many businessmen's major political involvement will be that of supporting the Party.

There is clearly some truth in the argument but the position is far more complex than it seems. Firstly, although the Conservative party had, until 1969, been the most successful party in electoral terms for over a century, it was until comparatively late in the nineteenth century a party of the landed gentry and nobility. It did not originally give support to business or doctrines of laissez-faire capitalism. Historically this was more the role of the Liberals and a number of the businessmen who were heads of companies in 1925, and who were or had been MP's, were Liberals.

Further, as discussed earlier (Chapter 1.) the party's relationship with business has not always been one of full accord. It has at times adopted attitudes that verge on corporatism, which businessmen in spirit at least find inimical.

Nevertheless, the party's success has been to transform

itself first into the 'natural' party of capitalists, and latterly of managers, administrators and professionals also. It receives good support from business, and potentially acts as a channel of potential business influence. Presumably to some extent also the greater the financial contribution the more say a businessman may have. On the other hand not all businessmen are themselves Tories (several of those interviewed supported the Liberals, and at least one (socially mobile) man voted Labour), and many may not wish to advertise their feelings to their unions or their workforce.

In addition, supporting the Conservatives financially may have been a good move when they were in power - but since 1964 that has only been 3½ years. Support may be wavering, for as one director, of an engineering multinational, said:

".....we've reduced our contributions to the Conservative party, not because we've changed our attitudes but because it's a wasteful way of exerting political influence. There we were paying all that money while an Industry Bill was being prepared under our noses."

Thus it is interesting to examine variations in support for the Tories. Here we are considering the actions of companies rather than individuals. Sampson (1971, p117) has remarked in this regard:

' The Tories depend (it turns out) on relatively few banks or big companies: most of the great corporations, like Shell, Unilever or ICI, gave nothing, but a handful of the next biggest, usually with a strong family tradition or a Tory politician on the Board, gave quite large slices.'

Sampson also points out that companies may choose to give their money not only to the Conservative party but also to a number of 'curious propaganda organisations' which exist to counter socialist or communist principles.

Using only the companies in which the chief executive was interviewed, the pattern of support both for the Party and for the propaganda organisations was examined. (See tables II (a) - II (b) below). Of those named by Sampson - British United Industrialists, Economic League, Aims of Industry, Common Cause - Aims of Industry, now renamed Aims for Freedom and Enterprise,¹ seems to be emerging as the best supported.

Table 8 II (a) which categorises companies according to size, is in line with Sampson's view, though Chi squared tests do not show the results to be statistically significant at the 5% level. Tendency to support the propaganda organisations appears to be directly related to size of company. The City companies are also big political givers: but whereas the banks give directly to the Tories, the insurance companies tend to prefer the propaganda organisations.

1. And renamed again simply Aims.

Table 8II(a) Companies in the sample giving political and other donations, by size of firm

Size of company	No. in Study	No. giving to Conservatives	No. giving to propaganda orgs.	No. giving to either.
Top 20	7	0	3(43)	3(43)
Top 90 - 21	35	15(43)	12(34)	22(63)
Top 180 - 91	22	5(23)	6(27)	9(38)
Below top 180	17	2(12)	1(6)	3(18)
	<u>81</u>	<u>22(27)</u>	<u>22(27)</u>	<u>37(46)</u>
All industrial/commercial	81	22(27)	22(27)	37(46)
All City firms	18	6(33)	7(39)	10(56)

(No information was available for 12 firms : Size is measured by multiple criteria as set out in Chapter 3.)

II (b) Categorized by type of control

Bureaucrat	65	16(23)	20(31)	32(49)
Family	24	9(38)	8(33)	12(50)
Entrepreneur	10	3(30)	1(10)	3(30)
	<u>99</u>	<u>28(27)</u>	<u>29(30)</u>	<u>27(45)</u>

It is possible that a fuller investigation would produce more significant relationships between size and political giving, or type of control and political giving. The figures adduced here give some indication that around 34 out of 64 firms from the top 180 British companies give to either the Tory party or one of the propaganda organisations, and a similar percentage of City firms make such donations. Put another way it appears that almost half of all firms feel they can do well enough without making such gifts. Part of the reason for this is that although businessmen do generally prefer to see the Conservatives in power, any picture of the Tories automatically acting in the best interests of business, or business having no influence over Labour politicians is grossly over-simplistic. This becomes clear when we turn to consider what businessmen said about the relationship between them and successive governments.

8.6.2. Businessmen and the Heath government

That the business viewpoint and Tory party philosophy are far from the same thing may someday be demonstrated when a history of the Heath government with fuller access to all sources, is written. From the business point of view the story appears to have been one of disillusion on both sides. In 1970 businessmen seem to have felt they were getting a government highly favourable to, and appreciative of business interests. The composition of the government (despite comments such as that given above) suggested this: as did the government's intentions: to cut taxation, to support market capitalism,

promote expansion and deal with the deterioration of British industrial relations.

The reality was rather different. The 'no lame ducks' policy was abandoned in some notable cases. The expansionist policy brought with it high inflation, and subsequent pay policy. The industrial relations legislation rather than promoting industrial peace had the opposite effect.

To what extent was Heath doing what industrialists wanted? The prevailing feeling amongst those interviewed, who were of course speaking in retrospect, is that though many shared his aims, many were also unhappy about the methods and tactics adopted in achieving them. Many businessmen felt that the government did not use their advice, or consult them sufficiently. A number echoed the feelings of one who said:

" I've been to Chequers twice for lunch with Heath but you know throughout lunch he never mentioned, he never said, What do you think about what the Government is doing? - or the reaction of your workers, like any intelligent leader would."

The directors and chief executives from commercial firms also tended to feel that the Heath government was closer to the City than to them, and one or two pictured Labour as being close to the Unions, the Conservatives to the City, with them left unloved by either party.

Thus it was the City influence which was blamed by some for the Tories' handling of the Industrial Relations

Act, which caused a certain amount of disruption. Further, the City was blamed for the final, and from the Conservative Party point of view, disastrous confrontation with the miners. At least two industrialists claimed to have been sure that Heath was not going to have an election, and one of them said:

" I don't think Edward Heath was well advised to listen to the City I mean one could go on about that: I was with him the week before the election and he told me he wasn't going to call an election. He could have got the miners back to work more quickly without an election and stayed in power. But he didn't do it, because he was rolled upon. He was rolled upon by the Party, and the the - people in the City, I think, who said we just can't go on like this, we can't go on with the country working at half time, but it was silly because that had all been done and the goal was in sight, actually. His nerve was broken, I think."

There were those however who were apparently ready to take up the same battles again. Thus one peer, head of an industrial firm, who sat on several City boards, said:

" If the Conservative government is ready to tackle the unions which Heath in 1974 set out as putting over as the issue of that election but failed to press home, which is why he lost, I think, If the government will tackle the unions, then OK I would vote Conservative. Last time the Conservative government got in they leant over backwards to win and woo the unions to no avail and antagonised the Conservative part of industry who put them in."

8.6.3. Learning to live with Labour

If the relationship of business and government was not as harmonious or close as it seemed on the surface under

Heath, then business's initial reaction to Labour was one of horror. Indeed four years later it is hard to convey the mood of pessimism and gloom existing among the business community in 1974 when the first interviews were done. Two years later, in 1976, a considerable change was noticeable.

There can be no doubt that businessmen were worried men in 1974: it was not only the dramatic events that had brought the government to power, though these have had a lasting impact. The policies of the incoming government seemed far more radical than those of the 1964 Wilson government. The promise of a National Enterprise Board, further nationalisation of certain industries, and an Industry Act embodying planning agreements - all were anathema to businessmen. The very line up of a government with Mr. Benn and Mr. Foot in prominent positions added to the discomfort, as did their public statements (eg. Mr. Healey's much quoted promise to squeeze the rich till the pips squeaked).

In 1974 there were any number of statements about the 'irresponsibility of trade unions', of their 'holding the country to ransom' and so forth. One pessimistic entrepreneur went so far as to remark:

" I do not frankly accept that revolution would not come to this country. I fear, I think the first step must be, and will be, political strikes. Once we've accepted political strikes the country will move down hill rapidly."

By late 1975, early 1976 there were signs of a change of mood amongst businessmen, reflecting, as one said, their view "that the unions were beginning to take responsibility". Some were still not sure and felt that strong lobbying was required; one such director remarked:

"Well some people see it differently - you could take the view that we've seen it all before - the Atlee government, the Wilson government of 1964 were going to change the world, and it all got lost in sheer inertia, and things went on much as before. But you could take the view that this government is a much more grave thing."

Whilst in another company, in the same period (mid 1975) a director went so far as to say:

" I think they (businessmen) influence the Government because there can be no doubt that now we are having a Conservative government, aren't we? In the policies that are being adopted."

By the time the last of the interviews were done confidence seemed to have returned. The first stage of pay policy had been completed, and a second negotiated. The Industry Act had gone through, and the N.E.B. set up, but even in April 1977 only one planning agreement -that with Chrysler UK- had been signed. Businessmen were worried about their cash flow, and from the government side about price control, management salaries and the Bullock Committee, but once again they seemed to have learned to live with Labour.

8.7 Perceptions of Power under a Labour Government

So far in this Chapter we have indicated that businessmen are no longer to any great extent direct participants in

the political process. Nor does business depend on its support for a particular party to guarantee that what it wants will be transmitted into political action. Its traditional party is not currently successful enough: further even when in power it understands and interprets business needs badly.

During the later interviews we attempted to ascertain the nature and extent of the business elite's influence by direct questioning. The questions covered the following areas (See Appendix 1.): the extent to which business is able to affect the thinking and actions of government, the ways in which this may be done, particular issues on which the respondent's firm had wished to affect government, and the relative influence of politicians, civil servants, trade union leaders, businessmen and the City.

Clearly we can only obtain from this procedure an idea of how businessmen view power in Britain. It is a partial viewpoint, and businessmen may have reasons for wishing to underestimate their power and influence within the State machine. It may pay them to remain a hidden force. Nevertheless, even taking this into account, their viewpoint is important, because one may suggest that people can only exert positive power and influence to the extent that they are aware of their ability to do so.

We can summarise in very general terms the perspective within which businessmen attempt to influence the State as

follows: The Government, that is in practice, the Cabinet plus senior civil servants, controls business, not business the Government. From the business point of view, the power game is not a balanced one, currently, for trade union leaders are conceived as having a significant vetoing effect on government action.

In effect, whereas union leaders have power, industrialists and financiers have influence in government affairs. There was no way that the men interviewed in this study felt they could pressurise the Government, except in extreme situations by publicising the adverse effects of government activity.

It may be mentioned that some heads of multinational companies were tackled on the possibility of threatening to divert investment if the Government failed to cooperate, but though diversion of investment was seen as a probable result of a poor climate for business, no chief executive thought this could be used as a bargaining counter. Several reasons were given: firstly, investment cannot be diverted overnight, and in any case the effects of such diversion might only be felt in a few years time when the party in power had changed. Secondly, it is difficult to do, since the Treasury keeps tight control on the outflow of capital. Thirdly the threat of such action invites retaliation. In practice it appears that at least one company - GEC - whilst not investing abroad, has declined to invest at home. Yet this too produces problems, since it has not proved possible to feed the cash so generated back to the shareholders.

Leaving aside trade union leaders, the power holders as businessmen saw it, are the cabinet ministers and senior civil servants - very roughly, Under Secretary level and above. Local government issues, apart from obtaining planning permission, were of relatively minor importance to them. Nor were MP's outside the cabinet accorded much power, though they can be useful.

Though businessmen do attempt to influence Government, they are far from happy about its effect on them and their companies. They accuse both politicians and civil servants of knowing far too little about business. Though the intellect of top civil servants was never questioned, their first hand knowledge of the particular industries they deal with was: in particular the tendency for civil servants to move to new areas every two to three years, was criticised¹.

There have been efforts since the early 60's to move industry and government closer, on the lines of the French indicative planning system. But British businessmen still drew unfavourable contrasts between their position and that of their French, German or even American equivalents. Further a particular and more recent complaint is of the enormous volume of legislation aimed at industry. The result of these factors is that much business activity in relation to Government is

1. Chapman (1970) makes it clear that the policy of moving civil servants from post to post every few years is, or has been, deliberate.

negative - aimed at correcting or preventing courses of action, rather than steering Government in a desired direction.

In the more detailed consideration of businessmen's interaction with state officials that follows, we will consider in turn three questions:

- (a) What issues bring businessmen, politicians and civil servants together?
- (b) How do businessmen attempt to influence the state officials?
- (c) How effective is this from the business point of view?

8.8 The Issues.

Aside from the general discussion, those interviewed were asked to give examples of particular issues over which they had tried, or were trying to influence the government. The responses seem to fall broadly into four main issue-areas:

- (i) The content of government legislation.
- (ii) The provisions of the budget: fiscal issues and government spending.
- (iii) Areas of regulation determined outside Parliament: Board of Trade regulations: monopoly control, the application of wage control.

- (iv) Broad areas of Government policy, and decision making, most notably economic strategy.
- (v) An additional small category may be added of 'international issues'.

To illustrate the full range of topics over which those interviewed claimed to have approached Government we have listed all of them under the five headings in the next table.

Table 8.III Total list of issues mentioned by businessmen.

(70 men were asked about this from 62 companies. 4 men specifically said they and their company had not attempted to have any contact or influence. 17 others, although they spoke in general terms, did not produce examples. I.e. these issues come from: 41 companies.)

In this table issues of current (1974-76) concern are signified by (C), those from before this period by (P).

1. Legislation

1.1	Consumer Credit Act	(P)	
1.2	Regional Development Act	(P)	
1.3	Finance Acts (and see below)	(C)	
1.4	Weights and Measures Legislation - Metrication Bill.	(C)	
1.5	Industrial Relations Act - Closed Shop legislation	(C)	
1.6	Prices and Incomes Legislation	(C)	6 men referred to this but see 3.1 below
1.7	Industry Bill - especially planning agreements	(C)	
1.8	Petroleum Bill	(C)	
1.9	Policyholders Protection Bill	(C)	
1.10	Dock Labour Act	(C)	
1.11	Nationalisation of Aircraft/ Shipping	(C)	

2. The Budget/Provisions of the Finance Act/Government Spending

2.1	Tax concessions in the budget on investment	(C)	
2.2	Taxation of middle management	(C)	6 men referred to this
2.3	Taxation of profits realised from stock appreciation	(C)	2 men referred to this
2.4	(Purchases by Government for (defence purposes	(C)	
	(Purchases by Post Office	(C)	

3. Interpretation of Government regulations, the operation of nationalised industry etc.

- | | | | |
|------|--|-----|------------------------|
| 3.1 | Provisions of the Price Code | (C) | 2 men referred to this |
| 3.2 | Government restrictions on housebuilding | (P) | |
| 3.3 | Import of foreign agricultural products | (P) | |
| 3.4 | Food subsidies | (C) | |
| 3.5 | Import tariffs - export licences
Chemical Industry. | (C) | |
| 3.6 | Restriction on amount of foreign construction of N. Sea oil rigs | (C) | |
| 3.7 | Import quotas on TV tubes | (C) | |
| 3.8 | Board of Trade regulations affecting insurance companies | (C) | |
| 3.9 | Planning permission for a new factory | (C) | |
| 3.10 | The operation of planning law affecting retail sites | (C) | |
| 3.11 | Failure by a company to pay customs import duty. | (P) | |
| 3.12 | Buying of a steelworks from a nationalised industry | (P) | |
| 3.3 | Will British Leyland build foundries for car parts - or will an outside company? | (C) | |

4. Miscellaneous Government Policy.

- | | | | |
|-----|---|---|--|
| 4.1 | Economic policy |) | |
| 4.2 | Employee relations and the Bullock Report |) | Matters for consultation and discussion between Government and industry. |
| 4.3 | The level of investment in British industry and the causes of it. |) | |
| 4.4 | Businessmen going along with Ministers and civil servants on trips abroad |) | |
| | |) | |

5. International affairs

- | | |
|-----|------------------------------------|
| 5.1 | Tariffs on entering E.F.T.A. |
| 5.2 | EEC regulations regarding monopoly |
| 5.3 | EEC legislation |

The above list is clearly not an exhaustive list of the issues which concerned businessmen in the past two years

nor even of those concerning the men who were interviewed. But it does give an idea of the very wide range of issues with which business is concerned: Regional policy, Housing, Economic Policy, Taxation, Industrial Relations, Insurance, Subsidies, Import quotas - all areas of wide public significance are also areas in which businessmen feel their firms have a major stake and they in turn have a major concern in getting their viewpoint across to government.

8.9 Channels of Influence

There would appear to be five major ways of influencing government.¹ These however are not interchangeable: it is very much a question of horses for courses. The methods are:

1. Via personal contacts - utilising friends, members of clubs, people known from civil service days, fellow directors, etc. It was often said that this is the most effective method. People in Government quite naturally tend to be more prepared to talk to, have lunch with, or meet formally with people they already know. As was pointed out earlier, there has always been among the leaders of industry, a number of men who have spent some time in the civil service (See Table I above). In the past these tended to be men who had spent a period in the civil service during the war: now they are recruited direct.

Reliance on private contacts alone, however, no longer appears to form the basis of much contact between

1. See also Appendix 2, for illustration relevant to this Section.

Government and business. Nor indeed does it appear to guarantee enough contact. The reasons are clear: on both sides there is a far greater desire than in the past to talk to the other side. The administration is so involved with controlling, regulating and encouraging industry that it has to know what is going on there. The issues are more complex than they were in the past. At the same time the number of men who can comfortably operate as go-betweens is proportionally less. Politics and business are full time occupations.

Much has been made in the literature of shared clubs, and interlocking directorates as means of interaccess. These may be ways by which businessmen can communicate with one another, and come to common viewpoints over certain issues which concern them. But as means of contact with politicians or civil servants, they are just not adequate. Although the extent of the interlocking directorships amongst the large corporations have been well demonstrated by other researchers, (See Chapter 1.) the extent of interlocking with the Government in power has not been shown to be great. Similarly too, with social clubs: as we saw earlier only around 40% of businessmen are likely to be members of such clubs, and in any case, Labour politicians often do not favour them. Nor should it be assumed that civil servants do. Chapman (1970) found only four out of the 35 members of the Administrative Class whom he interviewed were members of such clubs, though they would have been younger than the businessmen studied here.

Personal contacts are very useful where they exist. Businessmen certainly cultivate them. But alone they are too

casual a method of influence. Thus only four men mentioned this as the way of influencing government: and all were members of what were called earlier the 'social elite' by background, and it may be that this group did depend on such contacts to a far greater extent in the past.

2. By direct approach. Because businessmen see Cabinet Ministers and senior civil servants as the men with power, extensive reports were made of their attempts to influence these groups by direct approach. Inviting one to lunch, or getting invited, is the most usual way. (By all accounts some civil servants and Ministers must spend most days at business lunches.) Ministers and civil servants are open to such approaches: they have to be. Contacts formed this way may be called 'semi-formal'. They are not the informal kind mentioned in the last section, but they are not as formal as approaches by trade associations or the CBI. A Minister going to lunch may discuss general or specific topics, of great or no relevance to the businessmen concerned. This appeared to be the most widely used form of lobbying. However, it has its limitations. For one thing Cabinet Ministers and civil servants will only go to lunch at the bigger companies. Further, though discussions at such luncheons can be used to put across a general viewpoint, (for example on price control, or management salaries) only in certain circumstances may a company lobby in this way on its own behalf. It was often asserted that "It is not good to be thought to be speaking only for your own interest," or

"Civil servants like to preserve their neutrality"¹.

3. The CBI The CBI is the most public of the business lobby methods. It is the national voice of business on major political policy decisions. However at the time of the interviews, there was widespread dissatisfaction with the effectiveness of it. In practice it was the most frequently cited way of exerting political influence, though views of it ranged from "Bloody useless" to "the only way we've got"²

The dissatisfaction was only partly to do with the actual personalities or efficiency of the organisation.

1. Nevertheless on the basis of this study we cannot agree with the author of an article in the journal *Multinational Business* who wrote:

'The U.K. is indeed one of the most difficult countries in which to lobby effectively (But) little time is wasted on MP's, who unlike US congressmen have no power, while entertaining ministers tends to be a waste of time. Virtually all serious discussions involving ministers and large firms is conducted with at least one civil servant present. This is an unwritten rule in Whitehall. Moreover in many key areas of interest to multinationals, policy has been made almost wholly by two or three key civil servants - Treasury officials in the case of exchange controls, and Ministry of Fuel and Power (now DTI) officials in the case of energy policy, especially oil.' *Multinational Business* August 1972, No.3. "The Go-Betweens. (Government Relations, Otherwise known as Lobbying)". Published by the Economist Intelligence Unit, London. Businessmen did not see entertaining ministers, at least in the sense of inviting them to lunch or dinner as a waste of time, though they did say one could never be sure if one had got one's point across or not. The 'unwritten rule' was never mentioned. It is true that it was thought important to influence the civil servants as well as the Minister: but on the question of N. Sea oil, a businessman said he had found Mr. Benn and the officials "surprisingly helpful."

2. For a full discussion of the CBI's role see: Grant and Marsh (1977).

Rather, it stemmed from its very nature: the CBI represents, supposedly the views of all companies, large and small. Its members include both private industry and the nationalised industries. In this situation many of the respondents pointed out the difficulty of getting a united view point. It was believed, probably not without reason, that large companies, and indeed a small clique of representatives from such companies, dominated CBI policy. Thus the CBI represents big business - but that is not all industry. Further it has to come to a united viewpoint in situation where there may be real divisions between sectors of the business community: between producers of goods and retailers for example.

4. Trade Associations. Contrastingly, trade associations were accepted as a useful way of putting across the point of view of companies in a particular sector.¹

5. Publicity. Businessmen can resort in certain situations to the use of the mass media in an attempt to win public opinion to their side. There are a number of media open to them: the annual report; newspaper interviews; TV appearances and so on. In practice, businessmen rarely saw these as a method of directly influencing Government. There are several reasons,

1. We have already emphasised that business has much to gain by influencing Government. The trade associations go to the Government with a series of requests for, amongst other things, import controls, thus the Times of April 25th 1977, reports two attempts : to prevent a Japanese company building a factory in Britain, and for protection against mounting imports of footwear.

amongst them: a) businessmen see themselves as ineffective users of the media; b) their view of power sees a small group of men at the head of the nation, (a model perhaps drawn from business enterprise.) To influence, one must influence them. Paradoxically some men did suggest that politicians were only interested in getting votes: but they themselves did not think of directly affecting issues this way. We return to this below.

Now, as already remarked, these methods of influencing Government are not interchangeable - some are more appropriate in some situations than others. Further, it was accepted that one's message was far more likely to be well received if one spoke for a particular sector of industry. To take an example: one head of a building firm we interviewed said that his company was much affected by the demand for housing, itself liable to be affected by Government policy. The firm, although large, could not make a direct approach to Government. The man said:

" When I was President of the Builders' Federation in 1965 we wanted to influence Government in its attitude to housing. We went to talk to the Minister, Crossman at that time, to say that the industry had the capacity to build very many more houses than it was being allowed to build at that time, and pressed for restrictions to be relaxed - and we succeeded."

However the 'collective voice' can be applied by individuals. Thus, for example, a director of a very large company said:

" The CBI has a very heavy job to try and compete with the sheer flow of legislation, so we have to try to get directly involved. For example, at the committee

stage of a Bill recently we got hold of a Conservative MP and pumped a few ideas into him. He had some ideas of his own, some of them good, but it was ours he put across in the discussion."

When it comes to more specific issues, however, the company must make a direct approach to the Minister involved, or civil servants. Thus the Chairman of a food company said:

"Shirley Williams controls the price of bread: we've been in a loss making situation for about a year, over the last year and a half we've been educating Shirley Williams and Fred Peart. Either of them could give a run down on the state of the food industry and the problems of it. All things being equal they would both agree to ease restrictions and put us in a sensible position. But they go to Cabinet - if they want to start altering price code the unions want to alter voluntary restraint and so they haven't been able to."

These contacts can easily be made, especially if the company is large enough. Yet there are situations when personal friendships accomplish what other contacts fail to do. One retired MD related how he utilised a personal friendship with a civil servant (Ted) when his company had inadvertently failed to pay customs dues:

" I was MD of F-----..... F. had been breaking the law. We hadn't been paying something, customs or something or other. We'd made a mistake. And those characters wanted hundreds of thousands of pounds off us. So I spoke to Ted, and said, look we've made a mistake ----- And he said Get in touch with so and so, and go and see him, say you're terribly sorry. I'll speak to him before you do. The upshot was, we didn't pay anything."

(Retired MD, top 100, non London Co.)

Which methods then are the most frequently used?

Because it varies with the issue it is impossible to generalise.

We can find no particular preferences or differences amongst different types of company, except for the important but obvious principle that the larger the company, the more direct its access to those in power, especially Cabinet Ministers. Smaller companies may have to make greater use of their local MP's or other politicians.

Table 8 IV (a) How different types of company attempt to influence Government.

<u>Type of company:</u> <u>by control</u>	<u>Bureaucratic</u>	<u>Family /</u>	<u>Entrepreneur</u>	<u>Total</u>
Number giving answer.....	37		20	57
Via access to:				
Cabinet ministers	12		4	16
Other politicians esp. MP's	8		4	12
Civil servants	12		4	16
Thru' the CBI	14		5	19
Trade associations	10(27)		9	19
Other:(Personal friends, NEB, NEDO, Publicity, IOO, BIM, Bank of England	8		5	13

(Chi squared tests show no significant difference between groupings)

It would be wrong however to make much of an inference from this table since respondents were asked which methods they did use; they were not probed on the ones they did not mention. Thus not mentioning the CBI is not a clear indication

that a man does not see it as a channel of business opinion. We may assume that business men use all the channels they believe are available to them. The next table however indicates that certain are not thought to be open to some, but are to others, i.e. access to cabinet ministers.

Table 8 IV (b) Type of access to political decision makers, by size of company.

Size of company	Total	Top 20 by turnover	Commerce		Finance
			90-21 by turnover	180-89 by turnover	
No. giving a classifiable answer.....	57(100)	6	29	19	3
Access via...					
Cabinet Ministers	16(28)	5(83)	7(24)	2(11)	2
Other politicians	12(21)	2	7	3	0
Civil Servants	16(28)	2	10	2	2
The CBI	19(33)	3	8	8	0
Trade Associations	19(33)	1	10	6	2
Other	12(21)	1(NEDO)	4(BIM etc)	6(IOD x 2, NEDO)	1

From this table we see that men in the largest top 20 companies specifically mentioned contact with a Cabinet Minister in five out of six cases, yet only 7 of the next 29

largest companies mentioned this, and a further 2 of the next 19. Middle size companies (in terms of this Table) seemed to use civil servants and politicians more than Ministers.

The largest companies, and finance institutions mentioned more channels of influence, 22 per 9 companies altogether, ie. 2.4 per company, than companies in the other size ranges. (46 from 29 companies approx 1.5 per company, on average, and 28 from 19 companies, approx 1.5 on average). It seems reasonable to infer that very large companies do have more channels of influence, and are thus more influential than those in the next size ranges. Clearly the numbers of men appearing in the cells of these tables are small for statistical purposes. Nevertheless the trends they indicate are at least in line with what common sense would suggest.

8.10 How Successful is the Business Lobby?

There can be no single generalisable answer about the success of businessmen's lobbying. To sum up the feelings of the men themselves they were that: so far as preventing or altering major pieces of legislation goes, if a political party is pledged by its manifesto to do something then nothing can be done to stop it altogether. However, much can be done to influence the drafting by civil servants of legislation - to affect the exact provisions of particular bills. As we have seen too, a certain amount can be done on particular regulations - ie. the interpretation of existing law.

Contrast these two examples: much was written in the Press about the nationalisation of shipbuilding and aircraft. Corporations affected by this have used all means to publicise their case, but a chairman whose company was to be affected drastically by the Act stated:

" There's no use getting in a lather of fright about it. The Labour party came into power pledged to do it, and it will do so. But we have made it clear we think it a bad thing."

Contrastingly, the insurance industry was not particularly pleased with the Policyholders Protection Bill, brought before Parliament after the notorious failure of some companies. The industry took the view that if people bought cheap insurance from companies which subsequently failed, the successful companies should not be forced to pick up the pieces. Nevertheless an insurance company director said:

" Let's take the Policyholders Protection Bill which is now before Parliament. The Bill that's before Parliament is very different from the one that was originally drafted. In this case the industry and Government got together the Government thought the protection ought to be wider than we did we've reached a compromise situation."

In the next table we have taken 20 issues, some of them already discussed, and indicated both the channel of influence, and the outcome from the business point of view. This, we hope, will give a better picture of how business influence works on different issues and the variability of its success. Each issue is coded also according to its position in Table III above.

Table 8 V The outcome of 20 issues on which business tried to influence Government

<u>Area</u> (See Table III)	<u>Issue</u>	<u>Method of Access</u>	<u>Outcome</u>
1.	Committee stage of Bill	Company invites Conservative MP to lunch	MP puts forward company's ideas in committee
1.1	Consumer Credit Act	Mail Order Trade Federation meets civil servants	Some success
1.2	Gov't Regional Policy	Co. Chairman persuades CBI - who put case to Government	Failed
1.5	Closed Shop Legislation - as it affects Press	Co. Chairman and newspaper editors see Ministers	Failed
1.7	Industry Bill - Planning Agreements	Large Co. directors see Benn & Wilson on 2 occasions	Some success claimed
1.8	Petroleum Bill	Co. Chairman meets Ministers/ Civil servants	Some success
1.11	Shipbuilding/Aircraft Nationalisation	All methods and widespread publicity	Failed
1.9	Policyholders Protection Bill	Industry managers work with civil servants	Limited success.
2.1	Budget concessions - tax relief on investments	Co. Chairman meets senior civil servants at Chamber of Commerce party, 'lectures' them.	Measures in budget, Chairman claims credit
3.1	Relaxation of Building Regulations (1965)	Head of Trade Assoc. meets Minister	Success
3.3	Agricultural subsidies	Co. Chairman meets relevant Ministers	Some success
3.4	Price of bread	Co. Chairman meets relevant Ministers	No success
2.4	Price Check Scheme	Trade Association and various Chairmen with Minister	A success for Industry?
3.2	Import quotas on foreign agricultural produce (Mid 60's)	Chairman utilises contacts from civil service formed in war	Success
3.7	Import quotas on TV tubes	Chairman goes to Prime Minister	Failed

/continued.....

Table V (Continued)

<u>Area</u>	<u>Issue</u>	<u>Method of Access</u>	<u>Outcome</u>
3.8	Board of Trade Regulations - Insurance	Insurance co. managers argue with civil servants	Success
3.11	Company fails to pay customs duty	M.D. uses personal contacts with civil service	Duty waived
3.12	Co. purchases furnace from British Steel	Chairman goes to Chancellor of the Exchequer	Success
3.13	Co. wants to build foundries, instead of British Leyland	Co. Chairman meets Lord Ryder and other members of the NEB	Unresolved
3.4	Price Control - foundry products	Chairman goes to Minister.	Failed

It will be clear from Table III that there were several major issues of concern to industry during the period of the interviews. One of these was the fact that inflation pushed up company profits artificially, simply because of the stocks of raw material which the companies held. This was resolved fairly early on, by the Chancellor making special concessions on corporation tax.

The other issues were price control and the taxation of middle and higher management salaries. Industry found it much harder to get what it wanted here. So far as the latter issue goes, it was a continuing concern of managers right throughout the period of the interviews. Chairmen made constant references to it in their speeches. Large companies produced evidence on it to the Diamond Commission¹. Surveys were done, academics wrote about it. From what they said in the interviews, it would appear that businessmen never lost an opportunity to express their feelings on the topic to Government Ministers. Finally the Chancellor did make tax concessions in his budget of April 1976.

On price control the politics were even more difficult from the Labour government's point of view. Whether they wanted to allow price rises or not, price control was seen as necessary if the unions were to agree to wage restraint. A number of Chairmen, particularly in the

1. Royal Commission on the Distribution of Income and Wealth (1974).

food industry, recounted their efforts to influence Shirley Williams, (who is widely admired amongst them). Yet here as on many issues they were not sure of their success. Mrs Williams appeared to understand their problems, they said, but maintained that the Cabinet would not accept price rises. (Some observers have suggested that in fact it suited the Labour Government to dangle the end of price restraint as a carrot to force companies into closer cooperation - particularly over planning agreements : so far though, no such effect is noticeable.)

Finally, after fairly continuous lobbying for two years, a certain amount of success was claimed, though for obvious reasons business did not publicise it as such:

" Well, let's be fair - this price check scheme, we did a deal with her (Shirley Williams). We agreed not to say it was just window dressing, which it is, and she agreed not to make it, let us say, an indictable offence if any of us were not carrying it out to the letter of the law. It really was as bad as that. This scheme is just a lot of malarkey.

The position is: Shirley Williams has told us that she sees from the figures she knows, it's not price control that has kept prices down in the food trade but competition. But she can't get that over to the trade unions, while she is getting agreement from the trade unions over wage control, she must retain price control."

(Head of large supermarket chain)

Businessmen then, do have considerable influence. They cannot affect the overall legislation programme, but they can affect the content of legislation, and they have

an impact too, on the conduct of the administration.

Yet overall it must be said that businessmen saw themselves as losers in the power game. Each of the 70 interviewed was asked which groups had the most power: the civil service, the unions, the City, or businessmen in industry. They found it a difficult question to answer. There was no doubt in their minds that the elected Ministers held the ultimate power. And virtually everybody saw both the civil service and the leaders of the big unions as more powerful than businessmen. As to which of the latter groups had more power, opinions varied.

Again many saw the City as a powerful group, but strangely businessmen did not seem clear just how powerful it is. They could not put all the groups together on a simple measuring scale of power. There was, though, a strong feeling that the City institutions along with the Bank of England were groups that a Government could not afford to ignore.

8.11 The Mass Media.

In Chapter 1. we discussed at some length the role of the business elite as creators and sustainers of ideology. The obvious way for them to do this is through the mass media. It is therefore of some interest to note that businessmen felt that they had lost out in the struggle to put their

point of view across in the media.

In a capitalist society there can be no doubt that the media are not neutral: a reading of the national daily papers for only a few days is enough to indicate their support for the status quo. It would be wrong to think that businessmen saw them this way. Rather they saw positive action as necessary to put across a desirable view of themselves in the media. For example the inflationary boom of 1973-74 led to some very high increases in gross profits, at a time when wage restraint was being asked for by the Government.

Naturally the papers commented on this. Since early 1974, therefore, there were grave attempts by companies to explain, via newspaper advertisements, 'the need for profits'. Indeed during this time, businessmen complained often during the interviews that profit had become a dirty word, or 'profits are the seedcorn of the future but people don't realise this'.

But businessmen were less concerned with the newspapers as a medium for their message than with television. Rightly or not, those interviewed ascribed to TV enormous influence and power to affect the mass of people. And it was on TV in particular that they felt business loses out. Almost all the men interviewed said that businessmen did not appear often enough on TV, many said that when they did

appear, they were poor performers. Many, too, criticised themselves in this respect.

The reason is, so they said, that businessmen are 'doers' not 'talkers'. They are not naturally eloquent. Asked to speak against a politician or a trade unionist they would lose out. The nature, too, of TV discussions was thought to mitigate in favour of the pithy exchange and rhetoric, not elaborate explanation of the complexities of the business world. The result of all this was, to use a phrase that cropped up more than once 'the case for free enterprise has gone by default'.¹ Further, the effect of speaking their minds on certain issues would provoke an unpredictable reaction from their own workforce.

The respondents compared British businessmen badly in this respect with their counterparts in America, where it was said industrialists took a more public stance, spoke out on national issues, and put across the business case. In

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1. For some further views on businessmen and TV see "The BBC: is it biased against the boardroom?" The Director December 1975. This is an account of a meeting of Sir Charles Curran with company directors. Curran commented in this on the problems of persuading industrialists to appear on TV. The five directors made it clear that a 'responsible role' for the BBC would involve it in emphasising the virtues of capitalism (Curran did not agree). Thus one said: "I would agree that the public has got the message about the dangers of inflation but are you doing your job speaking up for the competitive system and showing how it can help defeat inflation?"

An Aims for Freedom and Enterprise brochure echoes the emphasis on the importance of TV as a medium: 'In Western Society the radicals have tended to grasp the great importance of television. Many of their activities have been designed to have visual impact on television rather than achieve anything specific. The protagonists of freedom and enterprise have got to master such techniques.'

future they foresaw a much bigger role for businessmen.

These points are emphasised simply to counteract the somewhat simplistic view coming from some quarters that businessmen can simply use the media for their own ends. Seen from a business perspective the reverse is true (the media are thought, if anything, to have a left wing, pro union bias).¹

This is not to suggest that sociologists should accept this picture. Indubitably the media do take somewhat standardised approaches to business issues and to industrial relations. These however spring more from journalists' own conceptions of what constitutes news, and what viewers are interested in. As Morley/points out, those who put out TV programmes take a 'consumerist' view - looking always for the industrial event which may threaten or disrupt the consumers' flow of goods or services. Inevitably too, the big stoppage, the sudden crisis, attracts attention - hence the concentration on the motor industry. (Cf. also

1. See for example, Duverger, M. Modern Democracies: Economic Power versus Political Power (1974) Duverger sees modern 'techno-democracies' as dominated by an oligarchy of capitalists, technicians, administrators, organisers and middle management. The oligarchy control the media either directly as owners, or through the need of the media for advertising (CH.7.). In politics the oligarchy 'maintain an artificial consensus.' This seems a very simplistic interpretation of the operation of the media, especially when applied to Britain. Duverger would argue one cannot apply his views directly to any single country, as he is concerned with 'system level' generalisation throughout his book. (See Ch.1.) In fact this covers a pervasive vagueness. Duverger never specifies exactly who the oligarchy are. Does 'organisers' or 'administrators' include union leaders, for example.

the Glasgow University Media Group (1976).

8.12 The Establishment

As was stated in the last chapter the closer one gets to the upper class, the less willing they are to talk about it, in addition, those who have the highest status positions are the least concerned about their status. One may suggest that the concern of high status groups such as the business elite is with power, more specifically with power in national decision making processes.

We have shown in this chapter that businessmen can have influence over Government: and suggested that they do so less by the means they have traditionally been assumed to use and much more by a straightforward, semiformal, lobbying approach. The extent of one's influence depends on a number of factors: the size of one's company, the strategic importance in the political process, (agriculture and food industries have good access to Government because rising food prices mean lost votes) the personal reputation of company personnel (some men have their own reputation, as the chairmen of well known committees, or as distinguished scientists), and contacts however formed.

Our questioning was concentrated to a very large extent on company chairmen or the next most senior full time

executive. The evidence was that this was a good strategy. It was clear that in almost all cases it was the chairman who had the prime responsibility and interest in the external political influence process. When a man has become chairman of one of the country's larger companies (the top 100 and some of the next 100) for a while, he will receive invitations to sit on the Boards of Banks, to join NEDO, or the grand council of the CBI, to take part in Royal Commissions, or other Government committees, to sit on the Boards of nationalised industries. From now on the man has a chance, if he has not already had one and if he is willing to, is found to be acceptable, and has the time, to join that ill defined, nebulous and shifting group : the establishment.

Originally it was thought that asking a range of questions about class in Britain, and about political power, that these would cover the subjects adequately. In one respect it did not. When it came to the final interviews with retired directors and the heads of the very large enterprises, a number of men quite spontaneously referred to 'the establishment', distinguishing it from the upper class, or the aristocracy.

It was then too late, to systematically ask what the phrase conveyed to the respondents. And to the 30 or so who did say what it meant, the phrase conveyed rather different things. For some it meant no more than a different name for the upper class, or received dogma.

The majority, around two thirds, however all of whom came from very large companies, conveyed a different impression. The establishment to them meant power, and power in Britain means Cabinet Ministers and civil servants. ^{business} The/establishment is those businessmen who are consistently influential as a group ; they know one another and they know the men in Whitehall and Downing Street. This group overlaps and interlocks with a City establishment, and with trade union leaders and other groups.

Here is a definition of it, by the chairman of the third biggest company in this study:

" There is a group, mainly gyrating around Whitehall, that do seem to be in on many of the national decisions, and I suppose that of course includes politicians; it includes the leading civil servants, it includes bankers, it includes the heads of big companies, it includes quite a number of academics, important journalists, and I suppose you could say that happens in any society. They're certainly not there by birth as they may have been in the past: but they are there by virtue of doing key jobs, and they seem to meet one another, and to turn up at the same meetings, and the same dinners, and to turn up at the same get togethers. And of course in that group one must include trade union leaders. They're certainly in the establishment - the top 3, Mr. Jack Jones, Mr. Hugh Scanlon, Mr. Len Murray - certainly one sees them and they're in the establishment, no doubt about it That there is a clique of people manipulating things, that's not so - but there are a group of people who turn up wherever important decisions are being taken."

This man saw himself as 'on the fringes' of the establishment. His definition was relatively precise. Other

men found it harder to define, some mentioning the City particularly, others the civil servants. Another man, who saw himself as sometimes 'in', sometimes out of the establishment, said it was:

" a thing which is not the upper class but has an element of upper class about it, but has been very flexible and has extended its boundaries and embraced others to respond to the situation it finds itself in."

(Q. Who comes into it?)

" Well nobody ever knows because it's not defined. It's that area that has influence on society, on lawmaking and the like, by cross consultation; it has a lot of influence on appointments, very frequently public appointments, indeed even possibly ministerial appointments by advice and consultation. Now people flit in and out of the establishment. The establishment is a very real thing, no doubt about it, it's a very interesting thing. People flit in and out according to whether they're 'in' or 'out'."

Other men, perhaps themselves less involved with the establishment, tended to see it as based in the City: one man quoted Jim Slater, (a friend of his) "You never meet the establishment till you've done wrong." Slater, of all people, should know. (See also the Appendix to this chapter.)

Those perhaps most involved pictured the establishment as composed of different groupings, which overlap: an industrial establishment, a City establishment, the union leaders, the civil servants, the politicians.

It is not hard either to think of figures who are in it, Lord Aldington: a former minister, current deputy Chairman of the Conservative Party, Chairman of Grindlay's Bank, of Sun Alliance, deputy chairman of GEC, and a director of Lloyds Bank, a man who links politics, the City and industry. Lord Greenhill: a former head of the diplomatic service, a Governor of the BBC, a director of BP and of British Leyland, also of Warburgs, the merchant bank, of an insurance company and British American Tobacco. Lord Plowden, former civil servant, Chairman of Tube Investments, and so on.

The establishment is an elite of influence. They come from people who are already elites within certain institutional spheres: unions, business, the City and Government. Yet they do not monopolise influence, many other men who are chairmen of large companies can have access and influence when occasion demands.

From the business point of view however the establishment has changed. It no longer consists of people with a known commonality of interest. Union leaders, and politicians may well be arguing for different things. For union leaders however, to spend too long in this situation has obvious problems if they are not to become cut off from the rank and file. The peculiar result of intermixing amongst the establishment is that a number of chairmen were better able to recount what Jack Jones or Clive Jenkins had told them

recently than what any of their own workforce were thinking, or what their own experience had taught them about industrial relations.

The establishment then is not there by birth, so much as by position: not everybody welcomed that or thought it was good for the country: said one entrepreneur:

" The developed society, the integrated society, started to decay I don't know when, but the decay was complete really when MacMillan went That I think is the root of our troubles. This is my own view - I've not heard it anywhere else. But when the establishment such as it is somehow drifted away from the core and force of public affairs then you've got trouble. And this is what has happened The main stream of affairs is political and civil service. The establishment is bits of the financial and aristocratic hierarchy who basically get on with their work. But they are detached from the main stream of events. And industry, I'm sorry to say, manufacturing industry, doesn't really tie into it either. Now it used to: we had great social mobility. The successful industrialist could become a member of 'society' and therefore influential to the establishment. The establishment was very important in politics but not now."

But this was an extreme and unusual view from a man who bemoaned the passing of the entrepreneur and the family proprietor. The more usual view was that the nature of the establishment has changed, and whilst many of its members do not hold political office, they are influential none the less.

8.13 Summary and conclusions

In this chapter the involvement of the heads

(chairmen and chief executives) of large companies in interaction with the State was examined. It was suggested that the direct political involvement, and involvement in certain sorts of local activity has declined in the course of this century. Thus there is probably less overlap between the personnel who comprise the State elite and those who comprise the business elite. At the same time, though businessmen continue to support the Conservative party, they have not found this recently to be an effective way of instituting their wishes in the state decision making.

Businessmen regard themselves as at a disadvantage in the context of political power. Ultimate power in national politics lies with a small group of Cabinet Ministers and a similar sized body of senior civil servants. Yet over this group it is the trade union leaders who have influence: and the latter were perceived as being at an advantage in their use of the media, particularly TV.

Despite this most of those interviewed recognised that they can influence national decision making. Quite possibly they tend to underestimate this. Evidence was collected from their own statements that showed an extremely wide interest and involvement in decision taking on, amongst many subjects, economic policy, wage and price regulations, taxation, insurance, excise duties, housing, defence spending, the operation of nationalised industries, as well as the more obvious areas of the Industry Act, industrial relations legislation and industrial democracy.

Influence exists on three levels: according to how large a firm the man in question heads. But the strategic nature of the firm in relation to the state is also important : in other words, the state involves itself with certain industries more than others, for example it does involve itself with motor cars, defence and agriculture, does not with restaurants or office equipment, and in the former industries a businessman has greater access to decision takers.

At the lowest level, the heads of smaller firms have little access to decision makers: they must work through the trade associations if they are to be effective at all. The CBI is seemingly dominated by large companies. Small companies can go to local MP's in areas where they have factories or offices: but the influence of MP's themselves varies greatly, and some businessmen clearly felt that the MP's they had access to, other than government ministers, were of little influence.

The heads of larger companies have direct access to senior civil servants and the best placed MP's. They dominate the CBI, and, one suspects, the trade associations. Even within this group however, there is a further division, and perhaps only the heads of the biggest 10 to 20 firms have direct access to senior ministers.

Beyond these levels there is a group of men who have a more informal effect on power and decision taking.

For this group of men we retained the most frequently used word: the establishment. To be a member of the establishment depends on many factors, one must head a firm of sufficient importance, of course, but partly through inclination not all the heads of largest firms are involved; reputation is important, so to some extent is one's hereditary background; those who come up the company quickly and know other members of the establishment through other channels have a better chance of being noticed. But, granted some means of access, this is not essential. What is essential is to want to belong: an acceptance of an invitation to sit on one government committee, or body, can lead one to an invitation to be involved in others, and to dinners at this or that function, meetings in Whitehall and so on.

Once again we must point out that our conclusions are drawn on the basis of limited evidence, and perhaps should be considered more as hypotheses for further work. The direction to which our work leads however is one that suggests that sociologists have tended to exaggerate the importance of shared class background, and of personal connections, of shared education, interlocking directorships and shared social clubs amongst elite groups, even if these are taken only as indicative of shared sets of attitudes.

Rather we would suggest that it may be a necessary feature of advanced capitalism that such contact should take place, and especially so in Britain where, as Pahl and Winkler

(see Winkler (1976)) have pointed out, the national economic performance, which depends on the performance of business, is consistently compared with that of other countries, and where political debate has come to centre on how this performance can be improved.

The result would seem to be that elites on all sides are now anxious for contact. As the State seeks to control more and more, so the State officials must know more, and must be more open to approach. Civil servants are conscious of a need to meet with and listen to the heads of business. They are urged by the media, as well as by businessmen to do so. Thus, as Bruce-Gardyne and Lawson (1976) remark, 'Whitehall tends to invent a lobby even where one does not exist.'

This however creates a dilemma for the public, and the reformer. On the one hand it is clear that much is being decided by elite groupings which have not been elected. Trade union leaders are the most publicised of these currently, but top businessmen we have tried to show, are similarly placed. The upshot of this is that the specific content of much legislation, the interpretation of it and even its enforcement become subjects for covert negotiation.

It is true that a certain elected elite - Ministers and those close to them - have the upper hand in this process. But the role of the mass of the public becomes that of

deciding which group of negotiators is to hold power for five years. As Murray Edelman expresses it, politicians make largely symbolic appeals to the voters, and engage in symbolic battles with one another, then whilst in office they begin anew the processes of opinion formulation, reception of lobbyists, and negotiation (Edelman (1967)).

The dilemma arises for all those who value the democratic process: for the existence of the elite groupings we have suggested clearly means that the country is far from the democratic ideal. Not only does the picture drawn here not correspond to the democratic ideal, but it corresponds badly to that of the pluralist perspective of Dahl: for clearly those businessmen who have access to politicians can hardly be considered representative, even of business: rather they represent big business - the massive, often diversified and multinational corporations. They may as well be representative of the better-off sections of the middle class; but certainly not all of it. They are likely to be little interested in the small shareholder (except that they may personally be in that category). Trade union leaders are perhaps more powerful but they are less numerous. Consumer groups, environmentalists and all those concerned with local interests are unlikely to have the same access or the same resources.

The dilemma here is one that has always existed in democratic systems. It is one that will intensify the more

political parties pursue economic success above all else for the nation. It may perhaps be possible to highlight it better if we give more public attention to the way in which political decision taking actually operates, and the influence of elite groupings, top businessmen amongst them.

CHAPTER 9

CONCLUSION

CHAPTER 9CONCLUSION9.1 Introduction

In Chapter 1, when setting out the objectives of this study, we emphasised its exploratory and evolutionary nature. The objectives set out there were therefore rather open-ended in nature: to investigate the possibilities of access to top businessmen; and of using a particular methodology; to examine businessmen's images of society, and, arising from our understanding of sociological theory, to investigate some aspects of their behaviour as controllers of business firms, and as political influentials.

In this chapter we try to take a more critical look at what we have done; to bring together and summarise our findings and draw out the implications as we see them for future theory and research.

This chapter is organised therefore by asking five questions (which might perhaps be asked of any empirical work):

- 1) Were the assumptions of the study justified?
- 2) Was the methodology a useful and defensible one?
- 3) What were the chief findings of the study?
- 4) What implications can be drawn for future theory and research?
- 5) What are the implications outside of sociological debate?

These are considered in turn in sections 9.2-9.6.

9.2 The Assumptions of the Study

In undertaking an empirical study it is necessary to choose a universe on which to research, and to specify certain variables which will be investigated, and which must

therefore be taken prior to the study to be germane to the problems to be researched. We made several such presumptions here. The first, stated in sections 1.4 (and 1.13) was that there is an elite among businessmen, a group whose members, while essentially doing the same task within the firm as other businessmen, take part in activities in a way that makes them significantly different from other men in similar positions.

We specified the top men in bigger firms as the business elite. We claimed that it would not be satisfactory therefore to study men in lower managerial positions, or heading small localised companies, if we wished to generalise about the business elite.

We still hold that this assumption is justified, and to add to our earlier arguments we may refer to some of the evidence we have presented here. In Chapter 4 we looked at the recruitment - the family background, education, training and career paths - of the men in our study. Our data confirmed the findings of previous studies: top businessmen were very likely to come from families where the head of household was in a high status occupation; to have attended a public school, and/or an Oxbridge college, and to have obtained professional qualifications. But we also indicated (Table 4.VI) that top businessmen were drawn from families of high social status to a greater extent than managers and directors in provincially based firms. In all aspects of their recruitment it seems likely that they differed from such men.

In Chapter 1, we discussed the role of the director on the basis of the existing literature, seeing as the distinctive features of that role, the allocation of capital, and

the responsibility for strategic planning and policy formation in the company. Our discussions with our respondents confirmed that, as far as they could specify them, they did regard these as the distinctive features of their jobs. And some even stated that not all members of the main board would have such roles. Thus although managers lower within the company would have played some part in these tasks, it may still be argued that the top men in the firm have a distinctive role, and that research on lower managers could not be expected to throw the same light on that role.

We also ascribed to the business elite potential for exercising political power or influence. And when we came to examine, albeit in a limited way, their attempts to influence government, we did find that the perceptions of the businessmen themselves of the access they had to Cabinet Ministers or civil servants did vary somewhat with the size of firm the businessmen headed.

Thus we would claim that the available evidence does suggest that there is an elite even among men with the title director, and that it would not be satisfactory to study men in managerial roles, or heading smaller firms if one were interested in the beliefs and values of this elite. However, this does not mean that the business elite can be specified by any simple criteria or that all men in similar positions play all the roles which we gave to the business elite in Chapter 1. As a consequence of the argument which has just been put forward we would see the size of firm a man heads as being potentially a variable which would affect his beliefs and attitudes and there was some evidence for this.

We put forward two other propositions as to variables which would be important: firstly the ownership position of the businessman himself, and secondly, the type of company he headed, specified in terms of its activities.

These raise more difficult issues. We derived the categories of bureaucrat, family businessman and entrepreneur on the basis of our discussion of the ownership and control debate. We gave an individual location within these categories to each businessman we interviewed; a location which in some cases could be made only as a result of the interview. We discussed some of the objections to reliance on such categorisation in Chapter 1: for example, that bureaucrats may be fronts for control that is exercised by wealthy individuals, banks or financial institutions, or that all businessmen are by other standards wealthy men, with most of that wealth held in industrial capital, and thus sharing common interests.

We cannot fully answer these objections. We did, however, show (Chapter 4) that family businessmen as we classified them were more likely to have attended elite educational institutions, and to have had different career paths; from the bureaucrats. We did also find enormous differences in the wealth holdings and relative income levels of the family businessmen and entrepreneurs on the one hand and the bureaucrats on the other; and we showed that bureaucrats were very largely dependent for their incomes on their salaries. The two other groups derived much more of their income from their invested wealth.

Nor did we ourselves find evidence of 'hidden control' of the firms headed by the bureaucrats we interviewed; though it must be admitted that we had no specific line of

questioning that would reveal this. Our respondents did refer to the influence of the financial institutions on them, and we did interview the heads of some such institutions. Our conclusion, for what it is worth, is that some financial institutions could probably exercise greater control than they do, and what perhaps needs explaining is why they do not intervene more in practice. (see 9.4.2. below). Likewise we did not become aware of the non-executive directors as exercising control over the chief executives we interviewed to any significant extent.

Yet it must be admitted that we were not able to demonstrate clear distinctions in outlook and perception on most topics between family businessmen, entrepreneurs and bureaucrats; indeed we argued in Chapter 5 that, with respect to the objectives, strategy formulation and policy setting within the firm, such distinctions were not important.

However, we did note in the same chapter that businessmen themselves were aware of these distinctions. It clearly did enter into their perceptions of themselves and of their own behaviour in some cases. Bureaucrats could maintain they were salaried managers, as much an employee as everyone else; family businessmen that they had a special feeling for their firms, and a commitment to longer term objectives than their managers might be expected to have (Chapter 5). Thus, although we do regard the ownership and control debate as something of an empty one, we would be unwilling to see the distinctions of ownership position completely abandoned in future studies of businessmen.

The importance of the type of company a man heads was to a limited extent indicated in Chapter 6, where we found that perceptions of conflict in the firm were related both to the size and nature of the company. Nevertheless, it should be said that there are great difficulties in classifying firms adequately, even using our three rather broad groupings (manufacturing, service and finance). Further one might ask whether it is the personal experience of the businessman himself that counts, or the history of the firm, for it is evident that the two are liable to be related. We were not able to study men in different functional departments within their firms, nor could we adequately compare chief executives in distinct sectors (e.g., engineering with hotels). This must remain as a possible area of future research.

9.3 Methodology

9.3.1 The Problems of Interviewing

One objective of the study was to examine the possibilities of access to the business elite, and the usefulness of the personal interview technique. What, then, are our conclusions?

As the figures in Chapter 3 showed, it is possible for an academic researcher to write to chairmen and managing directors of large companies and obtain an acceptance of an invitation to be interviewed from around half of them. We believe that higher response rates could be achieved by academics of higher professional status.

Nevertheless, granted that only 50% acceptance is achieved, is this satisfactory? Well, we could find very little to indicate that the men who did agree to be interviewed were any different from those who did not, except for the high refusal rate among entrepreneur-tycoons. In any case it may be the best that can be done, for other means of access have reportedly much higher refusal rates (see, e.g., Pahl and Winkler, 1974, on observation). We did try leaving questionnaires with cooperative respondents, and found a poor response (of 50 left with men who had been interviewed only 30 were returned¹). And the businessmen themselves stated that they received numerous forms and questionnaires and were loath to fill any more.

Thus granted that one is interested in researching beliefs, attitudes or some kinds of behaviour, the personal interview probably gives the best response rate. It does, however, bring its own difficulties, and these are clear from our own study.

Firstly, respondents have a clear preference for open-ended discussion rather than answering an extensive list of set questions with pre-coded and simple answers. This means that all the data must be coded afterwards, and this in turn means that the kind of analysis used in places here, in which we relate patterns of thought to other answers or to individual characteristics (age, education or type of firm)

1. These questionnaires were intended to compare businessmen's perception of their own status and that of other elite groups. Because of the low response rate the findings have not been included here.

is handicapped. In many cases individuals do not give clear-cut easily classifiable answers, and the data base for statistical analysis is considerably reduced. Thus, whilst we avoid forcing respondents into unnatural categories, we do create problems of a different kind.

In addition, however, it did become apparent to us that respondents had granted us access for a specific but limited purpose: usually seen as an investigation of business life, business policy making or associated topics. One could easily move to discussing relationships with politicians, but some respondents clearly felt we were moving off the subject when it came to a discussion of, for example, the characteristics of the upper class. One would expect that even more difficulty would be found if one wished to discuss relationships between the businessman and his wife (e.g., does she work?); their social contacts, their outside commitments to voluntary organisations and so on. These are all matters of possible interest to sociologists yet our interviews could not cover them. Thus a different kind of approach from that adopted here might be needed in obtaining access if one wished to examine the community life of businessmen.

We believe, therefore, that the methodology adopted was the appropriate one for our purpose. But we are aware that criticisms of it of a more fundamental kind can be made, and we now turn to these.

9.3.2 Some More Fundamental Considerations

In this study we attempted to throw light on certain problems of sociological theory by gaining insights into the behaviour and attitudes of men we regard as having key roles

within the capitalist system. One possible charge we must face is that our evidence is not relevant to the problems of theory we discussed. This criticism goes deeper than that which suggests that businessmen tell lies, or camouflage their activities, a criticism we dealt with in Chapter 3. We do not wish to add anything further here on that issue.

The major criticism of this research may be seen as part of a wider critique of much sociological research which attempts to understand 'the actor's frame of reference', which is the starting point for many sociologists working within the traditions of Weberian thought. It comes, figuratively speaking, from the right and the left. On the one hand, and especially relevant to this study, Milton Friedman has remarked that "asking businessmen to explain their economic decisions (in this way) has about the same validity as asking octogenarians to account for their longevity" (taken from Friedman, 1953, and quoted in Shackleton, 1978). And a very similar criticism is made by some Marxists, who would maintain that the capitalist system is not to be understood by reference to the beliefs or the personal behaviour of individual capitalists. We must examine these claims.

The economist's argument here is that economic systems have their own laws which govern such factors as the price of goods, the level of interest, the rate of investment and so on. Individual agents within the system can make their own decision but only within the framework of the laws. For example, a company does not charge the wrong price for its goods because one way or another if it does it goes out of business. Thus what can be learned from asking businessmen about their decisions is either trivial and obvious, or else

is not capable of refutation or proof, except when examined in the context of the economic system as a whole, and with the use of 'objective' measures.

The argument is a powerful one but it is so only as long as we accept that the assumptions of economic theory are met. Controllers of business enterprises would only be subject to economic laws if there were in fact a free market economy, free from restrictions, and with perfect competition. It may be argued (see Chapter 1) that these conditions do not exist in an economy dominated by very large oligopolistic firms; in which consumers buy on the basis not just of price but perceptions of value for money, which in turn may be mediated by deliberate marketing strategy; in which governments maintain monopoly industries, and subsidise certain firms, sectors, and geographic regions; and in which a strong trade union movement may be able to obtain wages above the 'economic' level. It is true that economists have attempted to incorporate some of these factors in their analyses, but it seems doubtful that they are able to do so without giving to the controllers of large firms some element of choice as to how they behave.

It may be argued therefore that the problem with 'positive economics' is that it is no longer adequate when applied to the economy of advanced industrial nations. We may take as an example here the ownership and control debate, which has been considered by both economists and sociologists. The foundation of the debate is the contention that the managers of very large firms are freed from any direct control over the level of dividend they pay out, or the disposition of the firm's resources, and so are able to develop alternative goals to profit maximisation. Such a debate could not

take place if firms were bound by rigid economic laws. And as we have seen in the course of this study, positive economics has not provided a successful resolution to the debate. All that we have is a plethora of studies, some of them conflicting, as to whether or not owner-controlled firms do have higher rates of profit or growth or whatever. Indeed economic theory alone seems unable to provide us with a successful definition of what an owner-controlled firm is, for in more recent studies it is suggested that we take account of such factors as the history and identity of the chairman and chief executive.

However, without in any way wishing to claim to have disposed of the debate, the plethora of findings does begin to make sense, if we conclude as we have here that managers and family owners have roughly similar objectives. If, having made the distinction between entrepreneurs and family owners, (again not a purely economic distinction) we find that entrepreneurs achieve higher rates of return than managers, but family businessmen achieve lower ones, then we may be led to more fruitful hypotheses for economists to test, (e.g., that family owners tend to be in older established industries which have lower rates of profit; that entrepreneurs are in more recently developed, more buoyant sectors (tourism, leisure), whereas managers are found in all sectors, but are the predominant group in very large firms in capital intensive sectors (e.g., chemicals, oil).

We can do no better in summing up these arguments than to quote from an article by Edith Penrose, written over 25 years ago, in which she attacked biological analogies of

of the firm (then more prevalent than they are now):

"Our knowledge of why men do what they do is very imperfect, but there is considerable evidence that consciously formulated human values do affect men's attitudes, that many considerations are reached after a conscious consideration of alternatives, and that men have a wide range of choices. The information that we possess about the behaviour of firms, small as it is, does furnish us with some plausible explanations of what firms are trying to do and why."

(Penrose, 1952)

Marxist theories encompass far more than the economic, and the Marxist critique goes further. The argument might be that by asking businessmen about their place in the system, their behaviour and their roles, and by accepting their accounts as true, we give a false place to the ideas that men hold. Men are not free agents but constrained by the material conditions in which they live. Further, understanding the actions of individual capitalists does not contribute to an understanding of the system of capitalism, which has its own internal and pervasive logic. Indeed one result of the relationships in which men find themselves as a result of the capitalist system, is that the system itself appears to them in a mystified guise, and thus their ideas about it are no clue to its true nature.

One's view of such arguments depends partly on one's view of Marxism as a system of thought. As a sociologist one might reply that Marxist reasons for wanting to understand capitalism, (the understanding being largely given in the works of Marx), which is to explain it and to expose its contradictions and the exploitation inherent within it (as a spur to class action), are not necessarily those of the sociologist. As a sociologist one might well be interested in how men adapt to the conditions in which they live, and the explanations they give for their conduct.

But certain problems of Marxist theory suggest that the understanding of the ideas that men hold may not be entirely irrelevant. One of the major problems that Marxists have had to deal with since the death of Marx is explaining how it is that the revolution has not occurred in the most advanced countries economically, which is where it was predicted. A further theoretical problem lies in explaining how classes, which are economic divisions can come to be social ones as well, which is related to the wider problems of explaining the connections between the economic, the political and the ideological spheres.

The economistic interpretation of Marxism, which views social, political and ideological phenomena as mere epiphenomena more or less directly controlled by the sub-structure, which is the relations of production, has looked increasingly unconvincing as more and more countries have emerged calling themselves communist, without ever having developed through the stages of feudalism and capitalism. That in turn leaves two alternative strands of Marxist theory.

The first draws upon the distinction between class-in-itself and class-for-itself, made by Marx in some of his writings. This sees the failure of the revolution in Western capitalist countries as attributable to the failure of the working class to develop the necessary consciousness of their position and of the nature of the system. As Hindess (1978) points out, such a position, which sees class action as possible on the basis only of shared consciousness, has the consequence which Weber recognised that there may be important kinds of action which are not based on class division at all (but on distinctions of, e.g., race, religion). Such an

interpretation of Marxism we would maintain is not incompatible with studies of the kind presented here, which examine men's recognition of their class position, but it could be seen as problematic from the Marxist perspective.

An alternative conception is advanced by Althusser (1965, 1970). In this system the distinction between class-in-itself and class-for-itself is repudiated. Rather the 'relative autonomy' of the economic, the political and the ideological instances is asserted, but through the notions of structural causality and overdetermination it is stated that the economy determines all three. However, it does so, in the overworked phrase, only in the last instance.

Althusser's complex (and obscure) writings are not without problems of their own. As both Hirst (1976) and Hindess (1978) point out the concept of relative autonomy is a way of avoiding the trap of economism, towards which Althusser tends because he rejects as ideological Marx's earlier writings, in which consciousness, especially in the theory of alienation, does play a part. One problem of Althusser's writing however is that it fails to give any clear guidelines as to how we can know what the limits of economic determination in the political, or ideological spheres are. And indeed Hindess and Hirst accuse Althusser of failing to face up to the consequences of the autonomy of political and ideological phenomena which are 'that such phenomena cannot be evaluated solely in terms of their representation, or failure to represent the essential interests of classes' (Hindess, *op. cit.*).

From Althusser's structuralist perspective then (and Poulantzas, 1968, 1969, employs similar arguments), studies such as this one have no validity. Following the arguments put forward we ourselves are inclined to doubt whether social theory can be completely successful without reference to the ideas and beliefs that participants, whether as members of classes, or other groupings hold. However, in no sense do we regard such data as the only, or the most important that can be brought to bear on any theoretical problem. The conclusions of this study as they pertain to the business elite have to be taken in conjunction with other evidence of all types - observational, historical or employing 'objective' measures.

9.4 The Findings of the Study

9.4.1 Who are Top Businessmen?

We have already alluded to some of the findings of the study in sections 9.2 and 9.3. Risking some repetition, we may now set them out in more systematic form.

We began our study by asking just what sort of men are the top men of British industry. And here our evidence confirms that of other studies. From the examination of businessmen's background and careers (Chapter 4), it became clear that a majority of those interviewed were likely to have spent the greater part of their educational, working and social lives in a white collar milieu. We saw that they were very likely to have fathers from white collar occupations, to have attended public schools, and to have obtained university degrees or professional qualifications. Their paths up their firms had involved contact with manual workers for only a

minority of those interviewed - the majority had risen via sales marketing or finance. Most will have spent a long period in management, ending with, on average, 12 years on the board at the time of interview. Most live in the South East of England, and such evidence as we have indicates that their friends and neighbours come very much from managerial and professional groupings.

Yet the data in Chapter 4 indicate a division within the business elite that is clearly related to the ownership of capital. Entrepreneurs and family businessmen have had different careers from those of the bureaucrats, and as a generalisation it may be said that they are usually very much wealthier. As we have already noted, whereas the salaries of the bureaucrats could be quite clearly related to their incomes, but not to their wealth holdings, the incomes of the two 'capitalist' groupings were related statistically to their wealth holdings, but not to their salaries; and this seemed to indicate that the distinction between bureaucrats and others was a valid one, which might have further predictive use.

9.4.2 Views of the Firm

In Chapter 5 we examined the businessmen's views of the firm itself, looking first at the purely economic role of the men at the top. We showed that many top directors now attempt to conceptualise the objectives that they have for the firm in a way which reconciles the long term interest of all the principal groups associated with it. Although we distinguished carefully between capitalists and managers in

our sample, a distinction recognised by the interviewees themselves, we found no evidence for a deviation from the traditional goals of capitalism. Profit remains the aim and measure of success. The difference is only the emphasis on the long term, and the reconciliation of this with the interests of employees, customers and other groups.

It is assumed by business directors that most people within the company accept this logic. The men at the top may be regarded as surrounded by a core company - the group with whom they can hope to have some personal contact. We suggested that for most purposes a psychological boundary exists around the core, and that beyond it the rest of the firm is not a living, daily, reality. The directorate themselves recognise that only a small group can know and understand the aims and plans they make for the company.

When they do turn their attention to the rest of the firm, they expect that the further one goes down the firm the less the understanding of the objectives, and the less the interest in them. At the same time it is assumed that most employees share a broad consensus with the men at the top. Overall this conception of the firm fits best within Fox's (1966) notion of the unitary view of the firm. But top businessmen do not, as Fox suggested, reject trade unionism, rather they ascribe to unions a functional role, for managers as well as members. Unions are necessary for any group so large that managers cannot bargain with them on a personal basis. They are a convenience for both groups. From this point of view conflict is either avoidable - the result of poor communication, large plants, misguided union militancy or political activism - or else, amongst businessmen who are

most prone to experience it, it may be ascribed to factors beyond management control including we noted, the British class system, associated historically entrenched attitudes, the educational system, or simply the periodic need to bargain over wages.

In the simplest terms, then, power, status and reward are seen to parallel one another in the firm, or are supposed to. Businessmen do not, at least in the abstract, view the firm as a set of coalitions¹ or conflictual groups, except to the extent that top managers compete for resources. The role of the Board is primarily strategy formulation and resource allocation. Although there was much stress by the interviewees on communication, and some references to the increased need for participation, the general expectation would seem to be that plans will be made above and go smoothly into operation below.

9.4.3 Class and Status

As regards the class and status system of Britain, we found that a majority of those interviewed did see distinct classes, and in effect referred to one major division within them. This is essentially the division between the lower or working class and the middle class. An upper class consisting of those with an inherited title or great wealth may also be added.

1. The idea of the firm as a set of coalitions is best expressed by Cyert and March (1963). See also the chapter by Abell in Abell (1977).

Society is split then into two groupings, at a boundary which, it is felt, is becoming increasingly difficult to define. The extent and nature of one's education was most frequently mentioned as the factor determining a person's class; but the most common view was one which pictured class as the cumulative or reinforcing effect of several factors, chiefly education, the job one does, one's standard of living, and the attitudes and values one holds.

A majority of those interviewed placed themselves within the middle class. They maintain there is no link between them and the aristocracy who by tradition are the upper class and remain so. Nor for the most part do they count themselves as wealthy. Even within the middle class businessmen feel they have no particularly high status, for they remark on the traditional dislike of the British for industry as opposed to the professions or civil service. Again businessmen lack the aura of glamour in the public eye attached to the 'jet set'. Only a few very well known businessmen are thought to rate highly in public esteem.

We also noted that some of those interviewed were aware of, and set alongside their own conceptions of society, alternative models associated with the working class. We are dealing then with a group whose view of society is relatively sophisticated and not susceptible to simple explanation.

9.4.4 Power and Relationships with State Officials

In the business view of the distribution of power in Britain the higher officers of the State, most notably Cabinet Ministers and top civil servants, are seen as the

dominant groupings. Businessmen have little realisable power vis-a-vis these groups, but they can have access to them, and thus can exert influence. Businessmen take what is perhaps a conventional view is seeing the heads of the larger trades unions as being more powerful than they are. The extent of the perceived influence exerted by the heads of City institutions did not emerge clearly from the interviews.

The hidden and informal nature of the exercise of power at the national level was recognised by a significant group of those interviewed, and the presence of some business figures amongst the major wielders of influence was accepted. But it is the size of the firm one heads, and its strategic importance for government policy, that seem to be seen as leading to an influential position, as much or more than personal contacts or an elitist social background.

Altogether then the businessmen interviewed did not betray much awareness of being part of a social class, or status elite, that is also a power elite. To some extent this was to be expected: businessmen are not likely to claim to be part of a ruling class able to inherit and perpetuate its wealth over generations. And not surprisingly there are indications that the perspective of those theorists who have been called managerialists - who picture large companies as run by managers who arbitrate between capital, labour and consumers - is becoming incorporated into the thinking and statements of businessmen themselves. We take up these issues again below.

9.5 Implications for Theory and Future Research

9.5.1 Preamble

Having summarised very briefly the findings of the research, we wish to turn now to consider some of the implications of this study for current theory and future research. In doing so we shall make further reference to the main body of findings. The four areas considered are:

- a) Ownership and Control
- b) Images of Society
- c) Beliefs and Ideology
- d) Businessmen and the State.

9.5.2 Ownership and Control

In Chapter 5 we put our own conclusions concerning the ownership and control debate. We found little evidence to suggest that the managers of large industrial and commercial firms had objectives which differed from those ascribed to traditional capitalists, irrespective of their personal ownership position. If top businessmen need to rationalise or defend their behaviour at all then they find it perfectly possible to do so from within a perspective that sees all parties as benefitting from the pursuit of profit. Even those men who specified their objectives in terms of growth, made reference to growth of profits in the majority of cases.

On the basis of this study, and its predecessors, we no longer regard the ownership and control question as having such central importance for sociological theory. There are however a number of other issues which need further investigation.

The first of these concerns the short term objectives of businessmen. We suggested, following other writers, that they probably attempt to achieve a steady year by year increase in profits. Yet, although we even encountered a few men who said they deliberately manipulated profits to achieve this, it must be accepted that we were not able to present adequate evidence to back up our hypothesis. Thus there remains a need to study whether businessmen do set out to achieve the year by year increases we have referred to. The most useful evidence here would be longitudinal, that is evidence of businessmen's reaction to changing market situations: do they try to move payments from year to year to smooth out the flow of funds; do they invest more in good years, or put aside more for depreciation and so reduce reported profits; do they, in bad years, look for ways to boost profits, through lay-offs of employees, cost cutting or accounting changes?

Another point of importance requiring investigation concerns the position and role of non-executive directors. We took a position not dissimilar to that of some previous writers (e.g., Mace, 1971; Pahl and Winkler, 1974) which doubted the importance of non-executive directors as the 'watchdogs of capitalism'. But much more direct evidence is required on this point, and here we suggest it would be possible to set up some comparative studies. For instance comparison could be made of boards with a high proportion of non-executives from City firms with those with a different balance: or the behaviour of non-executives in firms dominated by a single chief executive (e.g., an entrepreneur) could be compared with those where this was not the case. Again since some boards have taken steps to alter the role

of the non-executive to make it a more active one, it would be interesting to compare such firms with those run on more traditional patterns.

The basis for our view of businessmen's short term aims was firstly that the pursuit of a year on year increase in profit would be the most obvious route to the objective of maximising long term profits; and also that this would be what was expected by the group which acts as the jury for chief executives, that is the financial journalists, stock-brokers' analysts and possibly the analysts of the institutional investors.

Three points for further research arise from this latter hypothesis. Firstly there is a need to study the interaction between the chairmen/chief executives of commercial firms and members of these groups: how often do they meet? In what circumstances? What information does the chief executive supply? Does this go beyond that supplied to other shareholders? What criteria are applied to judging the performance of firms by members of the groups we mentioned?

Secondly it must be accepted that our own study contains only a small group of directors from what is in fact a very mixed sector, that is the City, which contains banking, property, insurance, pension funds, and investment institutions. An extension of our own work to investigate the objectives for the firm of the executives of these groups is required. At the same time research is needed into what exactly the institutions look for from the industrial and commercial firms they invest in. We suggested that life insurance or pension fund managers are committed to providing

a steady flow of payments (to holders of insurance or pensioners). Whilst they may hold a mixture of investments, as a hypothesis one might say that they would most wish to hold those giving a steady flow of dividends, rather than those subject to a more volatile performance.

A third suggestion for future research reverses the usual sociological hypothesis concerning the institutions. It asks why, if as Prais (1977) states, such institutions now hold 40% of all equity capital, a percentage that is likely to go on increasing, they do not take a more interventionist stance than they do. For we did in fact encounter a number of chief executives who expressed the view that the institutions could benefit British industry by intervening more than they do at present.

A number of reasons can be suggested for the lack of apparent intervention. In no order of importance they are: that such institutions, the banks and insurance companies, have business other than direct investment, and their executives devote the major part of their time to this, for this is what they have been trained for. That men in financial companies do not feel they have the necessary knowledge or experience to intervene directly into the strategic planning or policy formation of, for example, a manufacturing firm; and that when they do intervene it is when things have clearly gone wrong and then to replace personnel at the top of the company. That they regard themselves as investors, protect their investments by keeping them small and spread between firms, and lack the necessary coordination or mechanisms to intervene directly. That intervention exists, is widespread but is not apparent.

That the consensus between company executives and the executives of financial institutions is so complete that intervention is not necessary. And finally that the institutions are afraid to reveal themselves as a locus of capital holding or power because this would made them obvious targets in any future nationalisation programme. All of these remain as hypotheses; all, we maintain, require further research if we are to understand the workings of capitalism in Britain.

9.5.3 Images of Society

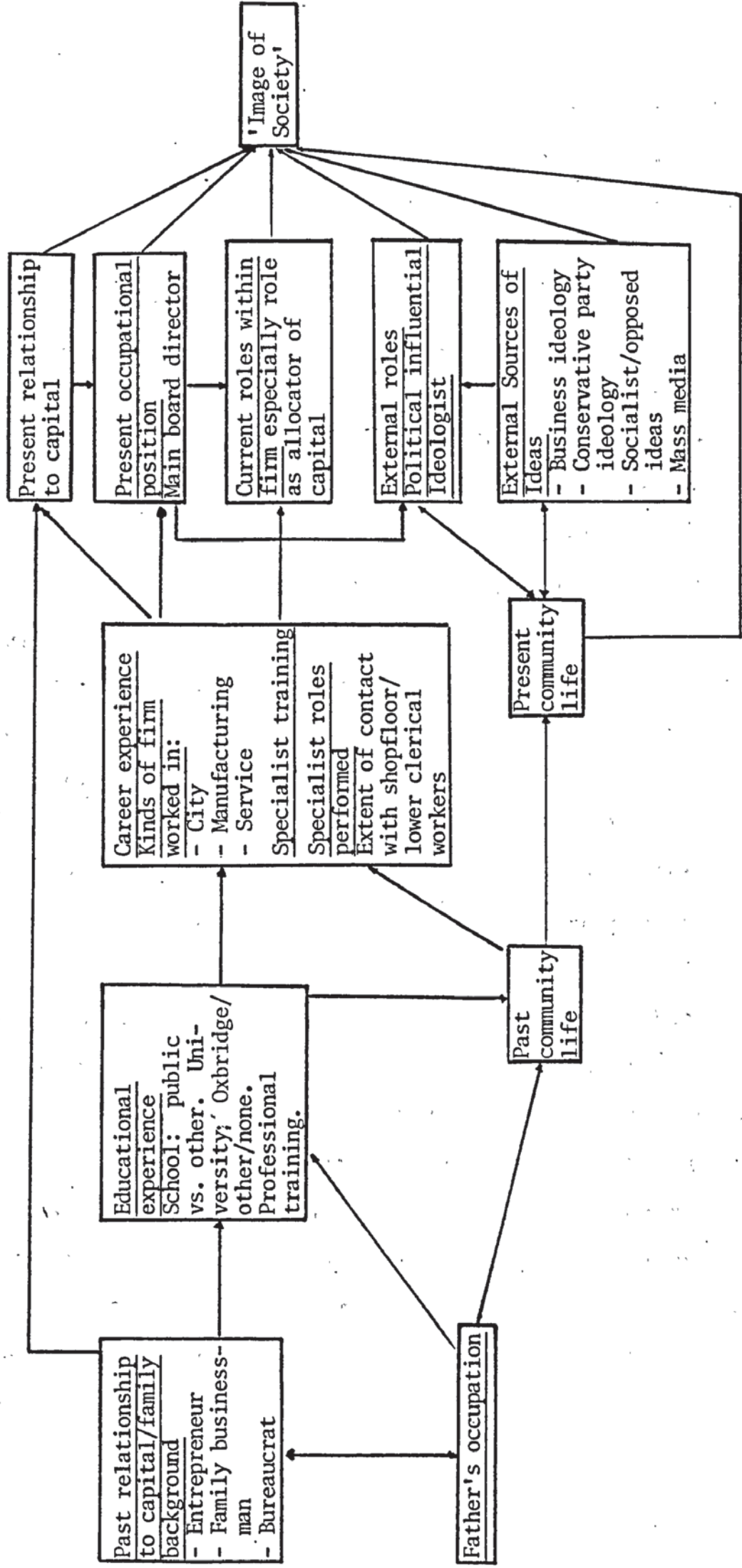
We gave above a description of our findings concerning the images of class and status held by the businessmen we interviewed. We shall extend this description here, but also discuss another of our original objectives, which was to see how such 'images' related to the objective situation of individual businessmen.

Taking as our starting point previous work on images of society, in particular the paper of Lockwood (1966), we put together in Chapter 2 the range of varieties of experience that could be thought to shape middle class, and more particularly managerial, beliefs. These were finally represented in diagramatic form (Chapter 2 - Fig. 4), and that diagram is reproduced again on the following page.

The first point that is evident from this diagram is that the test of the interaction between objective situation and subjective experience that is provided by 130 interviews is clearly inadequate. No matter how well carried out and analysed such in-depth interviews were, the range of experience for which the diagram provides, would clearly

Chapter 9, Fig. 1 (reproduced from Chapter 2, Fig. 4)

Objective and Subjective Aspects of Businessmen's Meaning Systems



require very high sample numbers indeed to test them. This is especially evident when one considers the variety of forms which images of society can take, even if we interpret the phrase to mean no more than pictures of stratification held by members of society. Aside from the fact that sociology contains few instances in which the investigation of opinions, beliefs and values has been pushed to this limit, the sample required would be so large that it is doubtful that such a study could ever sample wholly from within a group which we would take to be the business elite.

On Page 555 we have laid out schematically the findings of the various sections of our empirical study. Comparison of the two diagrams shows how far short we have come in demonstrating the links between subjective and objective aspects of class, status and power.

We have laid out the findings in this highly generalised and over-simplified form to make one point. That is that there appears to be no particular correspondence between businessmen's views of their firm and their wider images of society, nor of the 'objective' factors that structure these. We indicated in Chapter 5 that the company may be viewed in different ways at different times. So far as the direct personal contact of the men at the top goes the company may be seen as a core, a very small central part of the whole. At other times it may be viewed as a pyramid of responsibility and authority; and on other occasions as management and others (or even, though we have little evidence of this, as 'them' and 'us').

Schematically our empirical findings may be shown:

Fig. 2

a) The Firm

Size	—————→	Businessmen's perceptions of: The extent of sharing of objectives. Likelihood and nature of industrial conflict. Explanations of causes of conflict.
+ Type of firm respondent heads (i.e., manufacturing vs. service, etc.)	—————→	

b) Class and Status in Society

Social background of respondent and corresponding life experiences	-----→ ?	Perception of nature of class/ status system i.e., whether there are discreet classes. Attributes that indicate position in class structure. Own position in class scheme.
e.g., four viewpoints - 'Traditional upper class' - 'Sociological sophist.' - 'Upwardly mobile' - 'Outsider'		

c) Nature of Power in Britain

Size of firm	—————→	Ability to have access to State officials and to influence them.
+ (less important) Own previous experience and contacts of respondent		(possibility of entering 'establishment')

N.B. These diagrams indicate statistical connections, and the arrows are not intended to suggest more than possible casual links.

The view of class taken by most respondents was separate and not clearly related. Most frequently society was not pictured as a hierarchy, but rather as being split by a major cleavage. Yet this in turn was not between a small ruling group, whether class or elite, and the mass, but between two comparatively largish groups, the middle and working class. The upper class are not seen as a ruling class. Power in Britain is certainly viewed as inequitably distributed, but the greatest concentration is seen to result from the power held by the authorised holders - State officials. Though a certain informal power or influence grouping was recognised by those probably best positioned to know about it, the heads of bigger companies, the route into this is not seen as depending primarily on wealth or on status attributes.

It is important therefore to note that we were unable to see that experience of the work environment directly contributed to businessmen's images of society; nor was it clear, aside from those we called sociological sophisticates, who are a relatively small grouping, how their community experience does. Not only do businessmen's views of the firm appear to have a variable ambiguous nature, but there was no particular convergence apparent between the beliefs and opinions held by individuals about their company on the one hand and society more generally on the other. At the extreme there were men who accepted a clear conflict between management and employees in the company, whilst picturing society as a hierarchy of status, with others taking a reverse view - seeing the company as a hierarchy with a broad consensus between management and

employees, but society as being two distinct classes. (And there were of course a whole range of viewpoints within these extremes.)

Having pointed to the diversity of forms which the pictures of stratification could take among those interviewed, we should also restate the central beliefs and assumptions which we saw businessmen as having in common. These were (Chapter 7):

- 1) Class is disappearing, class distinctions are lessening, class in the traditional sense is withering away.
- 2) Yet, because men are inherently unequal, there will always be a stratification system of some kind. Differences of class and status will always reappear no matter what you do to try to eradicate them.
- 3) Because we are moving towards a meritocracy, in which people's class position will depend more and more on their success in occupational hierarchies it is more important than ever to get the right start, to get a good education.
- 4) And because education is now available to all, and anyone with brains, and energy can get to university; and because in business companies promotion is open to all, society is more fluid than it was in the past.
- 5) Although society is more open, although class should be withering away, conflict and tension is stirred up by the Left. The Left uses class as a political weapon to stir people up.

Despite the presence of such shared beliefs, the discussion of images of society here reveals problems of theory and explanation that go beyond the concerns of this study.

The 'problem' is that of explaining how images of society are created, or how they come to be patterned. The same difficulty has arisen in a number of previous studies, such as those of Brown (1972) (see also Cousins and Brown in Bulmer, 1975); Blackburn and Mann (1975) and Hiller (1975). Amongst the researchers cited up to fourteen different images of society have been distinguished amongst groups of manual workers, and Blackburn and Mann found so many that they were led to question the existence of patterned images at all.

Indeed the first question that one raises is what is an 'image of society', and at what level of specificity is it to be taken to exist? One may take as a simple example, a comparison between two interview respondents, one of whom splits society into two classes, the first class consisting of those who do manual work, the second of those who work in offices; and another respondent who splits society into those who are managers or are elsewhere in positions of authority, and those who take orders. Are these to be taken as distinct images of society, or are they both two class models and therefore fundamentally similar?

How we set about the analysis, and in particular the categories which the researcher chooses to see as important will clearly affect the findings. Simply on the basis of whether, and how many distinct classes were

perceived, the attributes stated by the respondents as the basis of class, and the position to which those interviewed assigned themselves, one might well have concluded that amongst the business elite there are even more images of society than have been found amongst manual workers.

Nevertheless the difficulty faced here is similar to that raised by the studies of the traditional worker and other groups referred to above. Lockwood's paradigm attempts to relate the work and community circumstance of the traditional worker to his own perception of these circumstances and society more widely. When researchers find fourteen distinct images of society, are we to conclude that they failed to look for the common elements in these apparently diverse images? Or is it rather that, had the researchers taken a large enough sample, and investigated such factors as religious experience, union membership and union ideology, experience of downward mobility, membership of voluntary associations plus any others found to be relevant, that a more complete paradigm relating the image of society or the 'meaning system' of the traditional worker to his circumstances would result?

This study poses the same questions with a group whose life situation is entirely different. The previous section raised also the problem of the internal consistency of images of society. In the case of the traditional worker, as pictured by Lockwood (1966), experience of work life and community life are reinforcing, in such a way as to give a picture of both work and the social world more generally as 'us' and 'them'.

A possible interpretation of the position of the business elite is of a parallel situation. The elite are to an extent isolated from contact with all but a narrow stratum of society, both in the world of work, and quite possibly outside. One might expect a similar 'us and them' attitude to those outside their own narrow circles, and this at least is Winkler's (1975) interpretation of directors' behaviour. (Cf. the theoretical discussion by Archibald, 1976.)

A fuller examination of directors' lives and thinking reveals no such internal consistency: pictures of the company and relationships in it are not paralleled by similar pictures of society, and further there is apparent a certain amount of ambiguity of attitude towards industrial relations on the one hand, together with far more complex thinking about class and power in society than any simple model can contain, on the other.

These findings appear to suggest that people find it perfectly possible to live with ambiguous, partly conflicting or even inconsistent beliefs about the world of work and society as a whole. This would be a further piece in a jigsaw of findings in recent years which suggest that the images of society held by individuals are very likely to be ambiguous, inconsistent and contextually variable. Some of the evidence was reviewed in Chapter 2. We may mention again here the paper by Mann (1970) who suggested that manual workers take a different stance on concrete issues concerned with inequality or industrial action than is implied by the abstract conceptions of society that they put forward when interviewed. Likewise Platt's (1971)

discussion of research on workers in Luton suggests a more complex state of affairs than that put forward in the main reports of the Affluent Worker project. (Goldthorpe et al, 1968.) Nichols (1974), in a detailed discussion of the attitudes of 10 foremen has shown the inconsistencies and ambiguities in their class imagery; and Moorhouse (1976) has recently shown that some aspects of images of society show variation over time.

All this indicates that there are severe limits to the extent to which the content of images of society can be explained. This does not mean however that the investigation of subjective views of class, status and power is not worthwhile. To take the study presented here, it seems doubtful that we would ever be able to explain why some men choose to say that class position depends very largely on an individual's income or wealth, whilst others will state that it really comes down to the education one has received. Certainly a change over time in which the majority of those asked said one thing but later said the other might be of significance.

However, at the present time, and accepting that respondents are fully aware that certain kinds of education and educational achievement confer higher earning power, it is not even clear that these are distinct viewpoints, still less why one man emphasises one, another the other.

Yet we would maintain that there were certain findings in this study of top businessmen - for example - their affiliation with the middle class, their dislike of conspicuous show, their beliefs in the openness of society and the extent of opportunity for social mobility; the view

that power is firmly concentrated in the hands of State officials - which do provide useful insights into their central values and beliefs.

One further point may be made here. It may be suggested that a group develops a coherent, consistent, and well thought-out meaning system on issues on which it feels particularly involved, possibly because they form part of its responsibilities, or its claim to material goods, prestige or power, or because it is threatened in some way. The business elite can be said to be some way away from the boundary of class or status which members of it see as definitive. Thus class and status are genuinely not issues of importance for them in everyday life. Hence there may be no coherent business viewpoint on the topic of class whereas there is a much more developed one on other matters. This returns us to our conception of ideology, which we take up in the next section.

9.5.4 Meaning Systems and Ideologies

In the first chapter we suggested that it is useful to maintain a distinction between the meaning systems of a group and the ideologies expressed on its behalf. We defined business ideology as those ideas expressed on behalf of the heads of business enterprises which seek to justify or explain their position in relation to the enterprises and society as a whole.

In accordance with this distinction we maintain that the study presented here has been an examination of the meaning systems of the business elite. We expect to

find, and do find, considerable diversity in such meaning systems, though we can also look for the common elements within them.

We expect less diversity in ideology. A major purpose of ideologies is to convince groups other than the ones creating or propagating them. They are not likely to do this if they sound different or say quite clearly different things each time they are stated. Of course ideologies may contain internal ambiguities or inconsistencies or even divisions of opinion, but in general we expect spokesmen to attempt to work towards statements of group opinion that are acceptable to the group themselves, but that can be stated on different occasions and in different contexts and still sound familiar to the group, and to those the ideology is aimed at.

It was further suggested in Chapter 1 that elements of ideology can be incorporated into meaning systems. When they do so we expect to find the adherents of them making use of elements of the ideology in their own thinking; using the conventional language and statements of the spokesmen and doing so almost without thinking. This process is most obvious and is quite natural in those who are themselves spokesmen.

It follows from the conception advanced here that we cannot infer the content and nature of an ideology from a summation or distillation of interview answers. There are several reasons for this, most importantly that those who emerge as spokesmen for a group may be those who are best fitted to writing or speaking on its behalf, but not necessarily the most typical. Since ideology is publicly

expressed it may be more rational than the group themselves are; alternatively it may make appeals to public emotion or sentiment that group members would not make.

Nevertheless on the basis of the interview answers we can make statements about ideology of two kinds: we can make some generalisations about the kind of ideology likely to emerge from a group at a given time - its style, tone, and underlying values. Secondly we can point out where ideology has been incorporated into the thinking of a group in a more or less straightforward manner.

Two features of current business ideology are apparent from the study here. The first is the highly pragmatic tone of business thinking. Looking through the quotes in the preceding chapters (and this despite the fact that one is always tempted to quote the extreme or striking phrase rather than the representative one) one notes the almost complete absence of references to such themes as 'rights of property', 'keeping to one's station in life', being 'born to rule', 'God's intentions', 'the law of the survival of the fittest', or similar phrases which might have been found in the statements of businessmen in previous times. Nowadays the acid test of an idea often appears to be no more than whether or not it will increase the efficiency and wealth of the nation, the latter being conceptualised as the level of GNP. (No doubt Britain's lagging economic performance compared to other nations is partly responsible for this.) This test can be applied to such topics as curbing the power of the unions, taxation, government legislation, industrial democracy, and the redistribution of wealth.

Likewise when we turn to the issue of social class we find references to inequalities of ability which can never be eradicated, and to the idea of the emerging meritocracy, especially within the firm, which will again promote efficiency. A public school system is defended as much on the basis that removing the schools will place greater strain on an overloaded State system, as on the rights of parents to purchase education.

The second point, a corollary of the first, is that where ideals enter they are of the negative kind stressing the disadvantages of socialism. Reactionary has become so much a term of abuse that one hesitates to apply it, but it should not be forgotten that a conservative ideology is a reaction to trends that appear to threaten existing social relationships, and in that sense business ideology is reactionary.

The bedrock of the pragmatic and reactive business ideology is the nature and condition of existing Marxist nations. Any change that suggests a move towards the limitation of the autonomy of capitalist controllers or capitalist institutions can be suggested as being a move towards socialism, and a move along a route to Soviet-style communism. The kinds of political change favoured by business ideology in contrast are whatever is thought to increase the wealth of the nation.

If we take up the second aspect of ideology, that is the extent to which it is incorporated into the thinking of practitioners, then there is some variation. We have already given as our view that beliefs about social class do not stem from a coherent ideological base. Social class is possibly not a topic of great importance to businessmen as business-

men, nor is it one on which there is much public debate, and in such debate as there is businessmen are not a group who play a natural part per se. Thus, for example, it would strike most people as very strange if a president of the Confederation of British Industry were to appear in some public context to give his views of the class structure, the rights and obligations of different classes, the extent of class conflict and so on.

In contrast when we examine attitudes concerning the objectives of the firm, and the roles of members of the board, then ideology is discernible. The ascendant one would appear to be the 'managerial ideology' (see Chapter 1 - section 1.12.2), which might be termed as it was earlier 'the ideology of balancing interests'. When we ask businessmen about their objectives for the firm, we find answers couched very often in very similar language, and repeating a very similar message. We can find similar statements in the writings of some theorists, and the public statements of some business spokesmen. Clearly the process of public formulation and reformulation of these statements has taken place.

The ideology of 'balancing interests' maintains that in the long term the interests of all groups concerned with the firm - shareholders, employees, customers and the public at large - are served by the success of the company. The pursuit of profit thus serves the interests of all. Those who run the company are in the position of balancing the interests of all groups connected with it - but they do so only in the short term. If the interests of all are correctly balanced then in the long term the firm will prosper. This

ideology has been described here as an ideology of balancing interests, rather than a managerial ideology, because it is as well and frequently expressed by family owners, and even entrepreneurs and financiers, as managers.

In the first chapter it was pointed out that this ideology has been stated in varying forms for some time now in both Britain and the United States. What emerges from this study is the extent to which the ideology has entered the thinking of practitioners themselves. However we are inclined to question whether this has a tangible effect on behaviour, a point which we take up below.

One aspect of business ideology not so far mentioned is the tendency to accept what has been done as unchangeable, although adherents of the ideology may resist further encroachments or developments of the same sort. We see this with regard to the role of the State and to industrial relations.

In contrast to businessmen in the past (and Heilbroner, 1964, remarks on the same point) businessmen now accept the role of the State in providing certain social and welfare services and in playing an interventionist role in the economy. But they are likely to regard any expansion of either role with suspicion. Likewise in the realm of industrial relations, the rights of employees to belong to trades unions are now widely accepted amongst the heads of large companies, but, as we remarked earlier, unions are ascribed a functional role within the firm. A trade union is not seen as necessary for the protection of employees, and certainly not as the expression of class interests, but as a desirable institution where an employer cannot bargain with each employee on an individual basis.

Yet in the area of industrial relations ideology is not as well developed as might be expected, granted the attention it receives in the media. Very few persistent themes stand out, and taken together they do not constitute a coherent framework of beliefs and attitudes. Almost any businessmen will tell you that trades unions in Britain now have too much power, but in itself this can hardly be said to be an ideology.

Again, as we have said, the very diversity of the situation that companies are in prevents a unified ideological viewpoint emerging. We note some concepts that recur with relative frequency - the importance attached to communication, an increased awareness of the need for participation - but little more.

However, we do maintain that our exploration of businessmen's beliefs and values makes it easier to understand their distrust of industrial democracy. From the business elite's point of view, such schemes have no point, since the interests of employees are already, almost automatically, safeguarded. Further in terms of businessmen's current normative touchstone - the question 'will it increase the wealth of the nation' - industrial democracy is potentially disruptive and therefore simply counterproductive.

9.5.5 Businessmen and the State

One aspect of the continuing debate over the existence of a ruling class, a power elite, or competing elites, concerns the relationship of businessmen to State officials. We must draw conclusions from our own study with

caution, both because of the small number of men interviewed on this topic, and because of the problems of placing too much reliance on reports of behaviour. However our work does suggest some hypotheses which might be followed up in the future.

We suggested firstly that businessmen who form part of the business elite are less likely than they were in the past to hold a political office. Thus we must look past the statistics which show the composition of the ^{Parliamentary} Tory party over several decades as containing a consistently high proportion of business directors, and ask whether there has not been a hidden change in business involvement in that time.

If as we believe there has, then we now have a situation in which those businessmen who head large companies must influence State activities either indirectly through the Tory party; or through pressure groups, most obviously the CBI and the trade associations; or through direct access to Cabinet Ministers and civil servants.

We ourselves looked at the direct access that businessmen have, and we concluded that there was in fact quite considerable access through a variety of channels, although businessmen had only mixed success in achieving their aims.

The question must then be posed: in a period of Labour Government why should businessmen have such access? Why should Ministers and civil servants see them and sometimes be persuaded by them?

We are not convinced by arguments that rest primarily on the importance of shared personal contacts, whether

formed at school, university, in the course of a career, or in shared club membership. We suggest on the contrary that what is required is a study that looks at the three main groupings in the processes of power and influence, that is the politicians, civil servants and businessmen. It needs to look at what each hopes to get from encounters with the other, and what resources, either as sanctions or as rewards are perceived as being available to each group. This approach would treat the encounters as open-ended bargaining situations, rather than foregone conclusions.

9.6 More Everyday Issues

Our main concern in this chapter has been with the implications that this study has for sociological theory and research. However, in the next two sections we wish to consider two topics that are of perhaps of wider interest than to sociologists alone; they concern the class consciousness of top managers, and what we have called elsewhere the 'balancing interests' ethos.

9.6.1 Are Top Management Too Class Conscious?

A question this study may pose once more in the mind of the reader arises out of a generalisation that is sometimes made about the British. That is that as a society we are concerned about the refinements of class and status to a far greater degree than people in other Western countries. The generalisation is sometimes levelled particularly at British managers, with the implication that if

they were not so class conscious Britain would have more successful industrial companies and thus be more prosperous.¹

The present study is not as relevant to the question as it might at first appear. This is because in setting out to ask businessmen to give their opinions about class and status, we do not have the opportunity to observe the extent to which status is spontaneously important to them. Indeed precisely because British businessmen are sensitive to the charge of snobbery, class consciousness or status awareness they may be particularly on their guard not to refer to such matters.

However we are in a position to say something about businessmen's thinking in this regard. We begin with the general observation that charges that the British are particularly concerned with class, often come from foreigners and may be based either on a lack of firm comparative evidence, or on observation of certain superficial aspects of British life which in practice are not as important as they appear. In the latter regard one may mention the fact that Britain still has a monarchy, a hereditary peerage with law making powers, and an elaborate system of titles and decorations. It also has a private school system, which as we have seen provides a high proportion of those who succeed to elite positions. Finally, as is often remarked on, in Britain speech is a very clear guide both to the background and current status of the speaker.

1. Thus in a poll of European (non-British) company chief executives, reported in the March 1978 edition of the magazine *Chief Executive Monthly*, a majority thought British managers to be highly class conscious.

In practice it is yet to be demonstrated that these aspects of British life do distinguish the country in a real sense from other Western capitalist countries. It is not clear that titles, whatever they may derive from, are more important in Britain than elsewhere. Nor is Britain alone in having a private school system. Baltzell (1958) and Domhoff (1967) have pointed out the efficiency of American private schools in providing members of what Baltzell calls 'an American business aristocracy'. Further since in most Western countries the children of professional and managerial workers do better in the education system, and in subsequent careers, it is difficult to separate this factor from the specific one of having attended private school. Most Western democracies seem similar to Britain in so far as those of similar wealth, income or occupational prestige live in similar neighbourhoods, and if commentators such as Whyte (1957) are to be believed pressure to move to an area appropriate to one's status may be stronger on American managers than it is on British ones. And with respect to accent, Giles and Powesland (1975) in a comprehensive review of the literature have shown that accent is taken as a guide to social status in several Western cultures, notably in Canada and the United States. With respect to the more fundamental inequalities - those of wealth and power - Britain appears similar to other capitalist societies.

But what of the men at the top of British industry, are they perhaps more conscious of class than their compatriots? We have already given as our opinion that in fact class or status may be of relatively less importance to the men who were interviewed in this study, simply because their own high status is so little to be doubted.

Certainly though some of the upwardly mobile did point out that adaptations of speech, dress and behaviour are necessary for those who wish to reach the very top. In this they were saying in layman's terms, what Bourdieu and Passeron (1977) have said in a more elaborate and academic way of the French educational system. The majority of those interviewed were inclined to emphasise the openness of promotion to the boardroom maintaining, for example, that public school education per se was not taken into account in making top management promotions.

Since study after study has shown that a majority of top directors have been to public school this could of course be taken with a large pinch of salt. But in saying this the interviewees could be perfectly sincere without it radically affecting the composition of boardrooms very much in the future. Looking and sounding right may be important for promotion at all levels and in this public-school boys may be at an advantage whether or not anyone actually knows what school they attended. And promotion in future may well depend on the possession of educational qualifications, such as a university degree, a professional qualification, or a business degree, which those who have attended public school may for whatever reason be in a better position to obtain.

There is one aspect of British culture that is reflected in the composition of the business elite which could be considered to be truly damaging. That is the tendency for certain career routes to lead to the top of companies rather than others. This was well demonstrated here. It is clear that experience of production management,

or engineering management, or handling industrial relations is not likely to the experience that leads to the very top positions. Correspondingly those at the top may prefer to keep out of industrial relations matters, and fail to understand exactly what goes on and what needs to be done on the shopfloor.

This may also be a symptom of a much wider distrust of manufacturing industry in Britain in general, and of entering the production side of it in particular, which may mean that the more able choose to enter other specialities, either inside or outside industry. At the moment these generalisations rest on inadequate evidence, but if Britain's future prosperity depends on its ability to raise shopfloor productivity, as many now feel it does, then the lack of experience at the very top may be cause for disquiet.

9.6.2 Can Directors Really Balance Interests?

In the previous section we recalled the ideology of 'balancing interests' which was discussed in Chapter 4. The board of directors balances in the short term the interests of disparate groups connected with the firm. The director reconciles these interests in the light of what is best for the firm in the long term, and in doing so discharges his social responsibility. In the long term the interests of all parties coincide. And the current occupants of seats on company boards are those best fitted to the task, for they have risen through the firm, they have the years of experience, they understand the necessities and complexities that are involved.

So runs the current strain of business ideology, and we have elsewhere stated our view that most businessmen are sincere and honest in stating their adherence to it. This is not to say that the evolution of such beliefs over the years has not been as a result of attacks on the unilateral power of directorates to pursue profit at the expense of employees, or at cost to the environment, and so forth. But the ideology, now evolved, appears to be sincerely held.

Nevertheless a critical evaluation of the effects of such an ideology in practice is perhaps allowable here. For although we can make few statements about the behaviour of businessmen, it should not go unremarked that the ideology allows almost any action to be justified in practice, for almost any action can be said to be in the interests of some group or other, at least in the long term. Thus if a firm fails to pay a dividend (actually an unlikely course) it can be justified on the grounds that retained profits are reinvested and will lead to bigger profits later. If shoddy goods are sold, or margins are high, then the consumer still benefits for reinvestment leads to better and cheaper goods later. If the company pollutes then even this can be justified for pollution control costs money and lower profit means less wealth has been created for the nation.

The issue can perhaps best be seen in relation to plant closures, redundancy and the acquisition or divestment of parts of the company. Despite redundancy pay, and various State provisions, losing a job does cause people considerable hardship, and having a factory or firm bought or sold causes employees at the very least worry or uncertainty. Nevertheless men who presented themselves as strong believers in

the importance of safeguarding employees' interests, went ahead during the course of this study with such operations.

Who then benefits from the business elite's attempts to balance interests? The question may be answered by considering who the elite have contact with. We suggested earlier the notion of a 'core company', consisting of those whom the man at the very top can have personal contact. Whatever happens it seems unlikely that the interests of this group will be disregarded, no matter how other interests are balanced.

When in the earlier interviews we asked chief executives what gave them most satisfaction in their work (the question was later dropped), the most frequent replies were: (a) seeing the firm succeed and grow; and, (b) seeing younger men one has picked out succeed and develop in the firm. If we translated these to 'seeing the firm succeed' and 'seeing members of the core firm prosper' it would convey our own view of the concerns of the directorate.

We put these views in a report sent to the interview respondents themselves. We wrote there:

'A director who gained a main board place in 1960, may correctly point to the fact that in 1975 the company employs as many men at higher wages. Yet after fifteen years of home and overseas investment, the balance of which may have changed; of merger, takeover, rationalisation, divestment and occasionally lay-offs and redundancy, a roll-call of those now working for the firm may look very different

'Every top director will know a number of people who have been promoted, expanded their responsibilities, and in other ways prospered and developed during his tenure on the board, and he rightly regards their progress with satisfaction. Those unknowns who have been made redundant, retired early, or are working for an entirely different company from that of fifteen years earlier may have less cause for satisfaction.

'To raise these arguments is not to question the good faith of top businessmen nor to argue for inefficiency and uncompetitiveness. Rather it is to ask whether the new ethos or the idea of the socially responsible company is likely to be sustained in practice. Is it reasonable to expect managers orientated throughout their careers to profit, return, or sales targets, when they step on to the board to begin to balance the competing interests that come together in the public company?'¹

It is only fair to record that most of those who were sent the report made no comment on it. From the minority who did, there was a range of opinion. Two men at least agreed firmly with it, though that was the only comment they made.

Several others, including some well-known business spokesmen, made their opposition clear. One described the conclusion quoted above as cynical, and another likewise wrote that if businessmen had become aware of their social responsibility to the several groups connected with the firm and had stated their belief in these, it was merely perverse to suggest otherwise.

Another man saw the argument that directors were not best fitted to arbitrate on social questions as in essence the argument put forward by Milton Friedman. The latter suggests in a well known work (Friedman, 1962) that it is positively subversive for businessmen to pursue social ends, and that the free enterprise system only works correctly if they rigourously pursue maximum profits. This particular businessman sent a paper of his own which argued the case for businessmen giving attention to social responsibility.

1. Unpublished report from the University of Aston.

One other well known businessman also took issue with the interpretation of businessmen's behaviour put forward above. His comments may be allowed, perhaps, to speak for many of those interviewed. He wrote:

'I think you have put too much emphasis on the idea that directors seek to 'justify' their actions. The whole emphasis in my experience is finding an optimum solution. For instance, in deciding how much to spend on new product development; it is clear that if you spend too little you will go out of business in the long run because you will have nothing to sell; but if you spend too much you will go out of business in the short term, through lack of cash, as happened with Rolls-Royce. The problem in this, as in many other decisions, is to decide on the optimum amount to spend and questions of justification do not come into it unless of course the decision is challenged subsequently.

'I think it is inaccurate too, to imply that virtually any action can be 'justified'. . . . there are some actions which are never justified. For instance, inaccurate or misleading information must never be given knowingly, even though the giving of it might lead to higher profits or other advantage to the company.

'You also imply criticism of 'the relative autonomy of top management'. The main responsibility of managers is to optimise the use of resources available to them. To carry out this responsibility they need to have authority to take decisions, after hearing the opinions of all those involved, which usually differ. I have no doubt it is perfectly reasonable to 'expect managers orientated throughout their careers to profit, return, or sales targets when they step on the board to begin to balance the competing interests that come together in the public company'. That is their job on which I spend a lot of time.'

This then is the reply of at least some of the businessmen. It draws out attention to the purely technical tasks of management, and in essence reaffirms the concept of the manager as the neutral professional, concerned, not with profit or growth per se, but with the optimum use

of resources. It is not our own view. But the question of whether this neutral professionalism is adequate protection for the interests of employees, customers, or other members of society, or allows for the adequate expression of employees' rights, is one that society as a whole must decide through the available political processes.

9.7 In Conclusion

This brings us to the end of our study of the opinions, beliefs and attitudes of British top businessmen. The discussion in this chapter by no means exhausts the areas in which further research is needed. We have merely attempted here to indicate those that we see arising directly from this study. To these one might add a plea for replication of our data and reanalysis of it.

It is clear too that we still lack studies based on direct observation, on first hand knowledge, of businessmen's behaviour. In our discussion we have had to rely heavily on a very few studies. Another deficiency lies in the area of the social and community life - in other words - life outside the business firm - of top businessmen. Whilst sociologists have lived in and experienced the lives of people in urban and rural working class districts, and sometimes middle class ones, life amongst elites has to be imagined or reconstructed from political and other memoirs, or journalistic investigation. All too often it is the tycoon, the playboy, the millionaire, the yacht owner, who attracts public attention when one suspects that such men are far from typical of the majority of those running large companies.

There may perhaps be a few sociologists who have first hand knowledge of the community life of business and other elites. If there are they have made no systematic reports of them. Clearly participant observation presents unusual difficulties. It is not hard for sociologists to go and live in working class districts, or with some dedication to join 'street corner society' or mix with drug takers. To join in with and participate in the activities of the business elite ultimately requires a climb through management, at the end of which one suspects that one would no longer be a sociologist. Thus some other strategy must be found to obtain the necessary inside view.

We must end, as we began, by pointing to the exploratory nature of this work. No researcher working alone could have hoped to produce adequate solutions to the problems, both empirical and theoretical, that surround the business elite. One can only hope that one has made a useful contribution, and that this will not prove to be yet another isolated study but one on which others will build.

APPENDICES

APPENDIX 1THE INTERVIEW SCHEDULEName:

Number:

Title:

(Member of Landed Gentry/Aristocracy:
Code 1 yes; 2 NoPersonal Information

Position in company:

Bureaucrat/Family busin./Entrepreneur

Nationality at Birth:

Married/Single/

Children:

Son(s)

Age:

Daughter(s)

Place of residence:

Salary (gross, from this position, 1975 figure):

Shareholding (in present firm, end-1975 values):

Stated wealth holding:

(Recode from end of interview)

Clubs (from Who's Who etc.):

Recreations (stated):

List known outside directorships:

Membership of Government bodies etc. (with dates):

Company information

Name of company:

Manufacturing/Service/Insurance/Merchant Bank/Property

Control type: Bureaucrat/Family/Entrepreneur

Size (position in top 180 British firms in terms of assets
and turnover) :

Turnover: 1974:

1975:

Profit : 1974:

1975:

Assets: 1974:

1975:

Number of employees (1975): Britain:

Total:

Multinational?:

Main areas of business:

Other comments:

The Interview:

1. Career: We do of course know (from Who's Who) some of your life history, Mr./Sir/Lord , but to give us a fuller picture could you please trace briefly for us your career starting from when you left secondary school.

Record and check following information is obtained:

Name of secondary school:
(Check: is that private?)

Age left:

University? Name:
Degree subject read:
Class of degree (if possible):

Professional training:
Qualification obtained:

Armed forces experience:

First job after full time education:

Then, with approximate dates:

Companies worked for:	Positions held:
-----------------------	-----------------

N.B. Age of obtaining main Board appointment:

Finally ask:
Did you have any formal management training:
(Obtain details)

If not apparent:
(What was your father's occupation:
(At age 16)

- 2*. The first thing I should like to discuss with you is the question of the responsibilities of the director: what in your view are the primary responsibilities of the main Board director in a company such as this?
- 3*. For bureaucrats: (others go to Q4)
Although you have some shares in your company, these are clearly only a small part of the total shares in circulation; would you like to hold more shares? If you did, do you think this would affect your view of your responsibilities?
- 4*. Do you know of companies where the directors do behave differently because they do have larger shareholdings?

Bureaucrats: go to Q5.

- 4*. For family businessmen/entrepreneurs:
You have an obvious personal stake in this company, how much difference do you think this makes to the way you view these objectives?

Do you feel that those who do not have such a stake view the company differently?

- 5*. (Probe) To some extent the responsibilities you have outlined could be said to be the responsibilities of any senior manager, in what ways do you see the main Board director's responsibilities as differing from those of a manager?
6. What would you see as the principal objectives you and the Board have formulated for the company at the present time?
7. Now taking the objectives we have discussed, I should like to ask to what extent other groups in the company would understand these objectives, and to what extent they would share them.

First of all, what about the other members of the Board, would they see them as you do?

8. And what about members of management, would they understand the objectives? Would they share them? (Probe how far down are they understood/shared?)
9. And what about employees outside management - would they understand these objectives? Would they share them?
10. We sometimes hear talk of the 'two sides' of industry. Do you see two sides in this company?
11. Accepting your answer to the (last) question, some people feel that there is an inevitable tension in the work place because some people control, and others are controlled. What is your view on this?
12. Let us turn now to the trade unions; do you see trade unions as having a useful role to play in the situation of your own company, and what is that role?
- (Probe for: unions for white collar workers; for managers?)
- 13*. Coming back now to the position of the director: so far as you can compare, how does the influence and social position of a man heading (this company/a company of this size) compare today with before the war?
- 14*. Looking outside the company, do you think that people in your position - that is the heads of large companies - have a useful contribution to make to the way the country is run?
- 15*. There must be times when the business community or parts of the business community wishes to affect the thinking and actions of government. To what extent do you feel they are able to do this?

Probe: Over what sort of issues?

" What are the most effective methods?

" Examples?

- 16*. How do you think the influence of businessmen - like yourself - compares with that of other people or groups, for example:
- (a) trade union leaders?
 - (b) civil servants
 - (c) heads of financial institutions/the City?
17. (Finally) I would like to ask your views on some more general social issues, and begin by asking you; people talk of there being classes in British society, what is your view on this?

Establish the following:

If there are classes: How many major ones?
 On what are they based?
 Where do you come?
 Who comes in the upper class?

If there are no classes: Do the terms working class, middle class, upper class have no meaning?
 Do you see a historical meaning?
 What replaces them?

If not mentioned: What is the position in the aristocracy?
 the rich?

Ask all: It does appear that a majority of the directors of large companies have been to a public school? Why do you think this should be?

How easy or difficult, then, would it be for the son of a manual worker to climb to your position in the company?

18. One question on a topical issue: what is your opinion on the proposed legislation on wealth and gifts tax?
19. (Ask if time) There has been much talk of employee participation in management; could you give me your views on this? Who should participate? How?
- Workers on the Board?
20. Ask all: Could you please look at this card and indicate in which range your total income from all sources, before tax, falls; please just give me the letter which would identify it. (Note letter)

And using this card could you please indicate in the same way your total wealth, so far as you can estimate it. (Note letter)

Close Interview.

It should be noted that the original schedule contained questions which were later dropped. Questions marked with * were asked of only seventy respondents. See Chapter 3.

APPENDIX 2 ON THE USE OF PERSONAL CONTACTS IN ONE'S CAREER
AND IN INFLUENCING GOVERNMENT.

Perhaps the area most hidden from public view in business and political life is the way in which personal contacts - friendships, business associations and so on can be utilised in gaining business or political objectives.

It would be difficult in any research to give any systematic indication of how important such contacts are, compared to other, more formal, methods. Certainly the impression given by the respondents in this study was that, whilst they are very effective where they can be used, they are not essential.

However to indicate the variety of ways in which they can work, set out below are five case studies, three drawn from interviews with retired chief executives, two from those with other chief executives. They are intended to illustrate the variety of ways in which connections can be utilised, and thus are drawn from amongst the men who revealed the most personal connections during the interviews. There were men, many of them, at the other extreme, who revealed and appeared to have, almost no personal connections that would be useful.

Case 1. The first case is a man, J., with a huge range of personal contacts. This man claimed to know "almost everybody in the so-called establishment".

He was born in 1904; his family had a small business, but his father died, and he did not enter the business, leaving his uncle and cousins to carry it on instead. His close family

was contrastingly poor, he says, and suggested this might account for his own ambition. At the age of 20 he went abroad to run a small factory in South America, a post obtained through a family connection. Returning to England five years later (1931) he obtained a job in a business whose main controller was an MP, rising to be managing director of a subsidiary at the age of 29.

At the end of the war, now aged 41, J. took over as M.D and then chairman of the main company. In this post he employed an eminent scientist as consultant to the company: later the scientist in turn suggested J. as a suitable businessman to sit on the NRDC. Whilst on the NRDC, J. met Edward de Stein (of Edward de Stein & Co., a merchant bank which later merged with Lazards). De Stein was a director of an ailing public company in a different sector from J.'s previous experience and asked J. to take over as chairman, which he did in 1954. It is this public company WUV Ltd. which J. headed until his retirement, building it into a large multinational group.

On his own Board J. came into contact with men who recommended or asked him to sit on three other large public company Boards (all of firms in the top 200 by turnover). On two of these he claims he played a part in removing the chairmen and bringing replacements in. The Board memberships in turn gave him a number of contacts in the banking field (Lazards, Hambros, Rothschilds) and with insurance companies (Eagle Star, Prudential). He claims to have played a part in the successful efforts of the institutions to remove the head of Vickers and replace him with Lord Robens and a new MD.

J.'s interests were very much in the Arts. He was on the Arts council, and on a special board to progress the building of the National Theatre. It is here, he claims; he used his contacts in business to great advantage to speed up the building of the (at that stage) very late theatre. It is worth quoting his account:

" We couldn't get steel - 2 years delivery - I got it. I got Monty Finiston, whom I know personally to turn a special factory over. I know Monty you see from the NRDC. Then we wanted 500 motors - we'd forgotten to order them. GEC couldn't do them, the ones from Crompton Parkinson wouldn't fit. We had to get them from Weinstock. Well you have to be very clever to get anything from Weinstock, even if you're a great friend of his. I got them. They never waited for anything. They wanted 28 miles of electric cable, they'd forgotten to order. BICC said everything's for export - 2 year waiting list. I got it. Everybody was astonished, Sir Max Rayne and so on - they don't know people like I do. They needed 28,000 pop rivets for the curtain - I don't know what they are, but I went to what's his name of GKN, chairman, just retired, and I got them. Every damn thing they wanted, aluminium lifts from Tube Investments. To be fair I couldn't have done it for my company, but I knew every man who had the things we wanted".

J's contacts are mainly in business: in the course of the interview he mentions 27 company chairmen and bankers by name. His account of his influence may be exaggerated, (he certainly dropped more names than anyone else), but from the known facts the incidents he related were not pure fabrication. However J. said he had made little attempt to influence politicians, though he knows some. He has spoken to them, on some issues, but thinks attempts to influence policy would be unsuccessful.

" Well if I went to talk to Harold Wilson about this (high rates of supertax) he'd say 'yes but we live in a democratic society, you know, you think like that but you're an exception. There's only 100,000 of you in the country, or 50,000 or whatever it is ... I don't feel I'd get anywhere".

Case 2. The next man, M. is of a very different kind. He was born the son of the chairman of the London County Council, and the grandson on his mother's side of a Peer. He went to Eton and Oxford, leaving the latter after a year "bored and broke". He was retired when interviewed and chose to meet for the interview at Brooks's club.

Sometime during his Oxford days M. met Edward de Stein (he said on the football field). De Stein, also an Eton and Oxford man, offered him a job in an industrial firm of which de Stein was chairman.

After a while M. decided to change jobs and a relative found him a job in a merchant bank. After the war M. moved to de Stein's bank, and then became a director of the company which he had originally joined at the bottom. Later he took over as chairman. "That was pure merit", he said, perhaps a little defensively.

M. is presented here as a contrast: he felt he had little political influence and thought that only chairmen of very large companies such as ICI would have any political sway. However during the war he was in the Cabinet office and at one stage said:

" I think the only influence that an individual can have is over the people he knows as personal contacts I happened to work in the Cabinet office during the war and therefore got to know all the senior civil servants and so might have had some influence. But that sort of thing doesn't last - you drift apart or change jobs. For a very few years my friendships lasted with the people who emerged as top civil servants."

M. exemplifies a point of view found among several men with an elite background: that influence operates through personal friendships (though he also said the City might have influence via the Bank of England). It may be though that the

old establishment is breaking down somewhat and that personal friendships are no longer an adequate method of lobbying (see Chapter 8), and a new approach is needed.

Case 3. The third man, S., was also in the civil service during the war, but he made use of his contacts. S. went to grammar school and Cambridge, then entered the retail trade. During the war he was placed in the Ministry of Supply and here formed his contacts with civil servants. He ended up Director of Footwear and Leather.

After the war S. entered the retail shoe industry, as MD of a chain of shops. After these were taken over by a well known entrepreneur S. left, and obtained the job of chairman of a small agricultural company. This firm later grew to be one of the top 200.

As S. said at one stage in the interview:

"The job of chairman of ----- is a mixture of politics and commerce. In fact it's difficult to know which it involved more of. Agriculture is very political".

As one example S. quoted the situation in which imports of agricultural products from an EFTA country were threatening his company. S. used his civil service contacts, and the Government were persuaded to negotiate an arrangement to limit the amount of produce brought into Britian.

S. said he had found Labour ministers more helpful than Conservative ones, and a Labour minister sat as a director on his Board. A former civil servant took over from S. as company chairman.

During the early seventies S. featured heavily in the popular press. At a time of wage restraint (under the Heath

Government) S. took a £16,000 wage increase as a result of a bonus scheme linked to the profits of the company. This was widely publicised ("I'm the most libelled man in England") and one incident from this period sheds light on the relationship between business and the media. A photographer from the Daily Mail went to photograph S.'s country home, and S's wife, while a reporter enquired in the nearby village for gossip. S., extremely affronted, told his stockbroker, who in turn happened to know the late Lord Rothermere. The Stockbroker telephoned Rothermere to complain, but the newspaper proprietor's reply left no doubt of his own interests:

"Well I know it's terribly nasty, old chap,
but that young man's selling newspapers".¹

S. was libelled on a radio programme 'Any Questions'. The cabinet minister on S.'s Board spoke to Charles Curran about the incident and he asked to meet S. The ultimate result of the meeting was that S. himself made several radio appearances.

Though S. did have connections in business, he is more notable for his civil service contacts. He knew a number of MPs but was in little doubt that backbench MPs had little influence. Contact with Ministers was required if one was to usefully affect Government; and "it is no good convincing the Minister if you haven't convinced the civil servants as well".

1. Rothermere's supposed remark bears a striking resemblance to that made by his uncle, Lord Northcliffe; referring to the late 1890s Lewis and Maude (1949) remark that:

"The new popular press showed that the domestic market included not only the well-to-do but the lower middle and working classes, even down to the poorest.

When a group of industrial magnates called on Northcliffe to complain of the way he handled their case in a strike, he retorted:

"Well, gentlemen, the ha'pence of the working class are as good as yours - and there's a damn sight more of them"

Case 4. The next two cases are more straightforward, and perhaps more typical of the majority of bureaucrat-chairmen and entrepreneurs. Case 4 is that of B., public school educated, but with no other training and initially no particular connections in industry. B. began his career at the bottom of a large manufacturing company and has worked for it all his life.

After early training as an apprentice, B. was fortunate to come to the attention of the head of the company (a member of the founding family) and became his personal assistant. B. held various appointments, became MD in 1972, chairman in 1974. The group is one of Britain's largest 100 companies but is based outside London.

It would be fair to say that B.'s contacts stem from his position as chairman of a large company. He said that industrialists do have influence, especially through their contacts with civil servants. He believed that he did influence a major decision, that of the Chancellor to allow tax relief on investment. (Budget of 1975) B. thought this was worth a £1000 million to industry, and takes some credit for it. Whilst head of his local Chamber of Commerce he got the Permanent Secretary, Under Secretary and Deputy Secretary of the DTI to a party at the Chamber of Commerce and gave them: "a fair old bashing on the subject".

This, he said, was a good way to put the point across:

"Because you've got to be very careful with civil servants, and why not - if you push your own company's point of view, they're entitled to say what are they up to. It's much better to do it as a group. - the Chamber of Commerce, or the Trade Association or the CBI".

It was B. who thought that Mr. Heath had been pushed into confrontation in 1974 by the City. Yet his own contacts with the City are increasing. He offers this comment on the 'establishment':

"I suppose the establishment are the people in power who tend to come together and out of synergy, I suppose, reinforce each other. Alright an example - I'm a director of Lloyds Bank.... I'm damn sure if I hadn't been chairman of ----- I wouldn't be on that Board. And I could be just as good or bad a chap in another capacity and not be on the Board of Lloyds Bank, or not even be considered for the Board. That sort of interlinking is a sort of establishment, isn't it?"

And the Board of Lloyds Bank is a very good club. We meet once a fortnight and spend nearly a day; and, you know, a lot of my friends, and customers and competitors, we find ourselves having lunch together and we talk about things. I suppose that's an establishment, isn't it?"

(Q. That would seem to be the industrial establishment?)

"Yes, there are all sorts of establishments, I suppose a civic one, a government one."

Case 5. The last case is similar, though the man F. is an entrepreneur. He took over a relatively small company some 25 years ago and has built it up since into one of Britain's top 200. Just over 50 now he is unusual amongst entrepreneurs in having a public school background.

Though his company is large however, he maintains his influence comes from the fact that he a member of a nationalised industry Board. He got onto this simply because a Minister had heard of him, but this in turn gives him an entree to the 'nationalised industry establishment', to use his phrase, the group of men who run nationalised industries together with the Ministers and relevant civil servants.

F. says that:

"One can have influence but it's fairly sketchy. If you go out of your way you can make contacts with Ministers and civil servants, but you've got to work at it".

One such contact F. did work at was the Permanent Secretary at the Treasury: F. met him at a party, invited him to lunch, and now "because he knows me when he wants to get together 20 or 30 businessmen to consult with I'm included".

Again he mentions that:

"The Conservative party wants to make contact with the unions. Heseltine got in touch with me, said he hadn't been round our factories, so I fixed a visit for him. And he said could he meet one or two of the union people - so now he owes me a favour. That may be useful some day".

These cases have been given only as examples of how personal contacts can be formed and used. They come from a number of experiences: in the case of M. a particular social background and family connections. In the case of J. membership of a Government sponsored organisation (NRDC) and outside directorships. In the case of S. previous experience as a civil servant. F. draws on a variety of sources: meeting someone at a party, direct approach by a shadow Minister, and being recommended by a member to the 'nationalised industry establishment'. B. is perhaps not truly a case study of the use of personal contacts, since he used his position as head of a Chamber of Commerce. However both B. and F. show how position as a top businessman leads to invitations to form further links, one with the City, the other with politicians.

The case studies also indicate that to some extent it is a matter of choice whether or not one forms interlinks with other elite groups. M. has never really bothered if his

account is to be believed. J. used his contacts extensively, but for business not political purpose. Both B. and F. having begun to form outside links appear to be interested in forming more.

As stated in Chapter 8, personal contacts are very useful. However size of company and personal reputation seem to count for more ultimately. Compare the accounts above with that related by one head of a company from one of the top twenty firms (in size). The chairman and other top directors of this group are not much involved with the CBI, nor do they have other directorships, apart from the chairman. The directors come from minor public, direct grant and state schools, and all have come up through the firm.

The directors of this company, like many others, were concerned about the effects of the Industry Bill, now the Industry Act. The chairman and another director requested, and were given, two meetings with Harold Wilson and with Mr. Benn and senior civil servants. As a result they believe they succeeded in modifying the Act, and the effect (so far non-effect) of planning agreements. In this case size and reputation were sufficient to give access.

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