FAIRBLOW DYNAMICS LIMITED:

PARTICIPATION AND

COMMON OWNERSHIP

by

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PART I: A DESCRIPTION OF FAIRBLOW DYNAMICS *

1. Introduction: THE COMPANY AND THE AIMS OF THE RESEARCH

Fairblow Dynamics Ltd., is a light engineering firm of two hundred employees, located in a medium-sized town in the South East. It was founded in 1955 by an air movement engineer, and originally produced portable test sets and other instruments for measuring air flow. It quickly branched into the manufacture of small centrifugal fans and grew rapidly during the sixties, establishing small wholly owned subsidiaries in Germany and Canada. Centrifugal fans have a wide variety of uses, and even the collapse of the warm-air central heating market left the company unscathed, as in 1970 it branched into domestic products with its own toilet ventilation unit. Thus, the direction of engineering expertise into a diverse range of markets assured both steady growth and a measure of security from economic fluctuations. It is located on an industrial estate alongside many similar firms.

In 1975-1976, the company had a turnover of £2,000,000, made quite adequate profits, and avoided any cash-flow problems. Thus, the company's history is typical of many medium-sized firms, and in many respects, it remains typical.

But the company is far from typical, in that it is owned and ultimately controlled by all those who work there. The mechanics whereby this is achieved are described later. The important point is that, unlike most worker-owned firms, Fairblow Dynamics is not remarkable in other important features. It is not a tiny group of people bound together by religious or ideological commitment; it was not formed in desperation in order to preserve jobs - origins which more or less ensure that the venture will suffer from poor management, under-capitalisation, and a weak market position; whilst there have been other firms whose founders have transferred ownership to employees, the company has usually

* This is not the company's real name.
arrived well wrapped up in a constitution, embodying the owner's distinct ideals and ideology. In the case of Fairblow Dynamics, the founder, though a strong personality, was scarcely in the same league as such forceful crusaders as Ernest Bader or John Spedan Lewis. Indeed he made rather modest claims for "Common Ownership" and soon withdrew from day-to-day involvement in company affairs into semi-retirement as Chairman of the Board.

These points are important. Despite a rapid increase in public interest in worker ownership, and a rapid increase in the number of worker-owned firms, very little is known about their characteristic problems and advantages. And what little has been published on worker-owned firms usually leaves the reader wondering what the impact of worker ownership would be like in less unusual circumstances. Of course, every firm is unique in some way and Fairblow Dynamics is no exception.

Nevertheless, Fairblow Dynamics is much closer to the "main stream of British Industry" than other worker owned firms in Britain.

Given these circumstances, the aim of the research was to assess the impact of worker-ownership both generally on the information, decision-making, and control systems of the company, and more specifically on the satisfactions and attitudes of employees. Hence, the research was intended to investigate the ramifications of a legal/constitutional change, both in organisational terms and in terms of its effects on the quality of working life.
2. METHODOLOGICAL PROBLEMS

The research at Fairblow required an exploratory and descriptive study; the use of a hypothesis-testing framework would have been inappropriate. There are essentially two reasons for this.

First, the existing literature on worker-owned firms in Britain is scanty and provided little by way of generalisations or hypotheses. The most interesting and rigorous study is that by Flanders Pomeranz and Woodward; but the John Lewis Partnership is one hundred times the size of Fairblow Dynamics. Scott Bader Ltd., is much more comparable in size, but Blum's research there was heavily imbued with his own rather special concerns. Hadley has described the formation and early years of Rowen (Onlywyn) Ltd., but this is a very small firm employing disabled miners.

Secondly, the introduction of Common Ownership is not a means to some specific and discrete ends. Were this so, then, given suitable measures of the target variables, a longitudinal or comparative research design might be appropriate. But, in fact, the reasons for the introduction of Common Ownership, and the hopes people have from it, are various, complex and frequently vague. In addition, the theoretical and practical difficulties in mounting longitudinal and comparative research in an area like this are so horrendous that the prospects of secure, non-trivial results emerging are poor. Moreover, it is likely that any complex system will take a considerable time to adjust to a fundamental change in its structure - such as the introduction of Common Ownership. Unless one is confident that a stable accommodation to the change has been reached, or that the study can continue for however many years are necessary for this to happen, the measurement of variables such as
satisfaction or productivity is of limited value since on their own they say little about the processes at work. Finally, the impact of the change will have been heavily determined by the particular systemic context into which the change was introduced. The results will, therefore, lack generality.

The conclusion from these points is that a hypothesis testing or experimental research design would, in the circumstances, have been inappropriate.

This is not to belittle methodologies of this sort. Indeed, it was always an intention to test for an association between participation and satisfaction in particular; in addition, some effort went into trying (unsuccessfully) to arrange for some comparable attitudinal data, particularly regarding certain items.* But the point is that whether one should build an entire research design around this sort of logic depends very much on the subject and the aims of the investigation. Neither a desire to display "scientific rigour" nor the difficulties in developing a different methodology, are good grounds for following the orthodox path.

But alas, these now fairly familiar problems do not themselves define a more appropriate methodology. In discussing these topics Weiss and Rein⁹ have suggested:

"a more effective-methodology would be much more descriptive and inductive".

* These concerned employees' attitudes towards the management in their previous place of employment (see pages 66-67 below). Without comparable data from other companies the interpretation of responses to these items must remain uncertain. See also the Appendix for a further discussion of this point.
"It would be concerned with describing the unfolding form of the experimental intervention the reactions of individuals and institutions subjected to its impact, and the consequences, so far as they can be learned by interview and observation, for these individuals and institutions. It would lean towards the use of field methodology, emphasising interview and observation, though it would not be restricted to this. But it would be much more concerned with learning than with measuring".

This is essentially the perspective that was adopted, but it constitutes a very loose framework for research that necessarily requires a research team to make spot judgments about the relevance of particular data. Inevitably one gathers much of doubtful value in order "to be on the safe side". Nevertheless, as the research proceeds and a comprehension of the processes begins to emerge, it is also inevitable that one becomes aware of areas that have been insufficiently explored. Both these problems can be overcome pragmatically, to a limited extent at least: the former, by ensuring (against the temptation always to gather more facts) that the research team spends adequate time discussing the theoretical basis for the enquiries they are pursuing at any point; the latter, by use of a tape recorder to capture evanescent data for later re-examination.
In the article quoted above, Weiss and Rein go on to argue that in such an approach the concept of "system" will be central. And, indeed, systems concepts did shape the perspective of the research (see particularly Part III). It can be argued - though this scarcely makes it unique in social investigation - that the philosophical difficulties associated with the systems approach mean it is ill-suited to social research. Without entering a debate that will in any case run and run, it is clear that to some extent the issues turn on the aims of the investigation. In this case the research was action-oriented in the sense that the research team hoped to work with members of the organisation in exploring the problems associated with Common Ownership.* It made sense, therefore, to analyse the situation in terms and at a level of abstraction that might allow some practical lessons to be learned. Although one can draw practical conclusions from many sociological analyses, the discipline's conceptual apparatus has not been elaborated for this purpose and immediately poses something of a translation problem. By presenting a comprehensive description of Fairblow it is hoped that the account will still be of interest to - and open to reinterpretation by - those with a more theoretical interest.

Given the aims of the research, and the perspective adopted, a picture was built up by gathering information in the following ways

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* In the event, a popular report was prepared and made available to all members of the company, but this did not lead to an action research relationship being established. In this respect, the research programme has been more successful in other Common Ownership firms. 11
Firstly, a large number of unstructured and often very informal, interviews and discussions were held with members at all levels of the company.

Secondly, by attending (and recording) meetings and subsequently interviewing individuals as necessary particular issues and decisions were "tracked" to gain a better understanding of how, in fact, the various procedures and decision making processes operated.

Third, from company records and observations, a number of activity measures were developed.

Fourth, towards the end of the research, a structured questionnaire was used on a random sample of half the employees below the level of senior management. Details are given either in the text where the results are described, or in the statistical appendix.

The first two methods produced a qualitative picture of the company. The third and fourth methods produced quantitative data that were often combined in analysis. They are used principally to fill out and test aspects of the qualitative picture in the belief that wherever possible — and especially in an exploratory investigation — any analysis and conclusions should be based on data gathered by a number of different methods.

A question remains regarding the conclusions generated by the methodology. If a basically inductive approach is used, and it is further argued that the developments resulting from the change are heavily conditioned by the systemic context in which the change is introduced, what is the epistemological status and scope of claims about the causal processes arising from the introduction of Common Ownership? Two comments can be made.
Firstly, although the developments arising from Common Ownership at Fairblow are, in many respects, unique, they may still represent a particular "behaviour mode" of broadly similar systems experiencing similar structural changes. The conclusions may thus have some limited generality in describing one of a limited number of ways such systems may react to the introduction of Common Ownership.

Pending further research, readers will have to make up their own minds about the soundness of the analysis, about other likely "behaviour modes", and about the circumstances under which they might occur.

Secondly, the results of any single investigation - no matter how rigorous and sophisticated the research design - must be provisional. Even if the research had been far more strictly focussed the results would still have been tentative. Testing an hypothesis once does not establish a theory - as the contradictory findings of much social research indicate. Hence, it is wrong to suppose that the tentative nature of the conclusions to this study could have been avoided by some other methodological approach. It is only through repeated investigations by a number of different researchers that one can have any real confidence in particular theories: "one replication is worth a thousand chi-square". The question, therefore, is what legacy does one leave future researchers in the area? Arguably, the more open-ended strategy that was adopted provides a far broader foundation for subsequent work.
Employees at Fairblow have a four and a half day working week. Christian names are used throughout the company. There is no "clocking-in" and working conditions are excellent. There are no tea-breaks as such, but there are coffee machines located throughout the offices and works, which may be used at any time. There is considerable job flexibility with people moving to different jobs as required. The company provides a subsidised canteen, a non-contributory pension scheme, and will give sick pay (at the employees' usual rate) for an indefinite length of time. There are no piece rates or production bonuses (other than the distribution of company profits as a bonus), and since practically none of the work is machine-paced, employees have a comparatively high degree of control over the pace of their work - production rates, for costing purposes, are deliberately set to allow a steady and relaxed pace of work. There is a strong emphasis on a participatory style of management. Fairblow is not a Unionised company, though a few individuals are Trade Union members.

However, this demonstrates little about Common Ownership, since all these conditions existed prior to the introduction of Common Ownership, which occurred in mid-1973.

Both Common Ownership and the excellent working conditions and fringe benefits sprang from the founder's desire to avoid what he saw as the debilitating "them and us" conflicts between management and employees he had witnessed elsewhere in Industry. As the firm grew, every effort was made to maintain the trust and informality of the early days of the company. Thus, a company notice, posted in the first half of the Sixties, described the profit bonus and other fringe benefits, and ended:
"Employees whose value to the company and their colleagues is in doubt are asked to find another job.

"No limit is set either on the duration of this extended notice, nor on the company's right to terminate it by a formal notice.

"(All) these rules are as vague as possible, since the more precise they are the more likely it is for the "clever dicks" and least deserving to pick holes in them and find ways of defeating the object of the exercise, which is a square deal all round."

Quite obviously, the notice would have been more precise if "the Company" had been replaced by "the management"; and likewise who constituted "clever dicks" and the "least deserving", what was "picking holes" rather than a fair interpretation, and what constituted a "square deal", were all decided, however benignly, by management. Nor would the charge of "paternalism" have necessarily been denied. The founder's plans to "give the company away" met some resistance amongst senior managers; in December 1970, one of the directors wrote in a draft memo:

"On the whole, most employees accept the paternalistic situation and, given improving conditions and a share of the profits, will be happy to leave the ownership problem to others."

Among the decisions and policies introduced during the formative years of the company, perhaps none was as important in developing its distinctive character as the
system for determining wages and salaries. The company operates a policy under which employees will receive remuneration "as good, or better" than they would receive for equivalent work elsewhere in the locality. The "as good" is calculated by a survey of local wage rates; but this is a fairly complex matter, since pay is affected by bonuses, overtime and fringe benefits, quite apart from problems in deciding what is comparable work. This survey is conducted by the personnel manager. The "or better" comes in bi-annual 'bonuses' (assuming the company makes adequate profits) and in "merit awards". Every employee is assessed at least once a year, and those judged, by management, to be making particularly fine contributions to company performance receive merit awards. Since the total amount available in this way is only 2½% of payroll, a merit award may amount to only a couple of pence on an hourly rate. However, these awards are cumulative, and someone consistently receiving favourable assessments would build up a 10% or 12% differential over the years.

Hence, employees at Fairblow do not all earn a standard rate for the job, nor do they know how much workmates or colleagues are earning. Given these procedures there is little scope for challenging pay awards, let alone for collective bargaining. Only the size and distribution of the bonus remains a contentious issue - a subject discussed in more detail later.

The payment system has another important consequence: though Fairblow pays quite well and is a very pleasant place to work, with good fringe benefits, it is not a high wage firm.
As a result, Fairblow does not, generally, attract the younger workers, perhaps starting a family, who are after high wages, and willing to sweat for it. Instead, there is a disproportionate number of the older or middle-aged amongst shop floor employees;* with reduced family commitments, they are prepared to accept less money in return for congenial working conditions and the greater security of the pension and sickness fringe benefits. It seems likely that this age factor makes for a somewhat more compliant workforce.13

Finally, it is worth pointing out that some of those currently working for Fairblow have been with the company ten or more years. When they joined the company, they were joining a small firm in which "everyone knew everyone". It is quite clear that this was a distinct source of satisfaction. These employees remembers the "pioneering days" of the company, and talked about the "Fairblow Spirit" and how the founder ("a perfect gentleman") used regularly to come round the factory, stopping to chat with everyone and asking how they were. As one employee put it:

"It made you feel important you weren't really, of course - but at least you weren't a number, like other places."

* Details of this and aspects such as sex, length of service, union membership, etc., are given in the statistical profile of the Fairblow workforce included in Appendix II
It is not surprising that somewhat deferential workers enjoying the benefits of a generous paternalism, did not develop an autonomous organisation to press their interest.

Of course, many small-to-medium firms have similar characteristics in their early days - though usually to a lesser extent - and they go a long way towards accounting for the absence of organised conflict and the comparatively harmonious internal relations.\(^{14}\) Although Common Ownership at Fairblow does not explain these facts, it must be understood against the background they provide.
CONSTITUTION AND STRUCTURE

It must be stressed that the present structure of Fairblow Dynamics has arisen from modifications and additions to a conventional company. The changes were designed to leave the "chain of command" intact on commercial matters, on the grounds that this was necessary to ensure the continued viability of the company.

The company is owned by a holding company - The Fairblow Community Ltd; this is a registered charity and holds 75% of the shares of Fairblow Dynamics Ltd. All employees of Fairblow Dynamics are automatically members of the Fairblow Community. The remaining 25% of the shares are held by the Fairblow Pension Fund, two of whose trustees (normally directors of Fairblow Dynamics) serve on the Council of the Fairblow Community.

Thus, the Council of the Fairblow Community represents the shareholders of Fairblow Dynamics. The Council is composed of twelve members; two are the trustees of the pension fund already referred to. The remaining ten members of the Council are elected from five autonomous bodies within the company (see Figure 1). The formal structure of the company and Community can be represented as in Figure 1.

The rationale for this structure is as follows:

Since a company is prohibited in law from owning its own shares, the Fairblow Community is a device whereby the members of the company collectively own their company. This basically simple idea avoids individual shareholdings (which employees would otherwise take with them when they leave, thus becoming outside shareholders) and also avoids the possibility of employees "cashing in" by selling the
Each committee elects 2 members of Fairblow Community Ltd.
(12 members).

Elects 2 members of Fairblow Pension Fund Trustees (12 members).

The Board of Directors, Fairblow Dynamics Ltd
(18 members)

Management Group (18 members)

Senior Managers

Employees

Consultative Group (8 members)

Joint Consultative Group

Welfare Committee
Charity Committee
Sports and Social Club (whose members elect a committee)

FIGURE 1: CONSTITUTION OF FAIRBLOW,
Showing representative bodies and procedures.
company (the proceeds of the sale would go to the Fairblow Community which, as a registered charity, cannot operate for the benefit of its individual members). The complexity in the structure arises from the particular way members are elected to the Community Council. The intentions underlying this rather elaborate structure of indirect elections were expressed in a concern for "stability" when the scheme was introduced. Indeed, the arrangements ensure that should a conflict between employees and directors and managers arise, either side will have the power to block the other. In addition, the constitution of the Airflow Community can only be changed with the approval of the Board of Directors of Fairblow Dynamics and 75% of the membership of the Fairblow Community in General Meeting (since the office bearers are elected by various bodies within the Community the General Meeting has little constitutional significance, apart from its role in accepting or rejecting amendments to the constitution; hence it was omitted from the structure diagram).

A number of points follow directly from this constitution:

1. The company is secured against outside financial interference. Death duties, if nothing else, would eventually have broken up the original shareholding and introduced external shareholders; dividends would then have been required, and the company would always be vulnerable to take-over and re-organisation with the attendant threat to jobs and managerial status.
All profits not re-invested are available for distribution to members as a bonus, thus at least increasing the area of common interest between management and employees. Alternatively, this may be considered as a way of maintaining a degree of flexibility in the overall level of wages and salaries.

If the Constitution is not strictly democratic, it certainly extends formal employee participation to levels at which it is usually quite absent, and builds in institutional pressures towards a comparatively open and participatory management style.

The Articles of Association also state the company objectives:

"The company shall be a continuing and successful self-controlling entity broadly directed towards satisfying the needs of all employees in terms of opportunities for exercising skill and initiative in all fields, coupled with job stability, progressive improvement in remuneration, working conditions and fringe benefits of all kinds, while directing these skills and initiatives towards providing as high a quality of service to customers as is compatible with the main objective."
It seems fair to say that the customers come off second best in this statement of company priorities.

As regards commercial operations, the company is divided into four divisions -

Production;
Marketing;
Design;
Finance;

each headed by a "Junior" Director - so called because they are comparatively recent appointments of younger men and in contrast to the three "Senior" Directors who formed the original, and highly effective, management team. The company operates from two factories a few hundred yards apart - the smaller of which was bought when further expansion on the original site became impossible.
How does the constitution work in practice? Essentially, a number of representative bodies have been grafted on to a conventional company structure, or representative functions added to customary bodies (i.e. the Sport and Social Club Committee). Some of these can be quickly dealt with. The Charity and Welfare Committees are open to anyone who wishes to share their work but both have single figure membership; the former deals with the external charitable work of the Community, in particular running the Fairblow Development Ambulance used for local social work (a full-time driver is employed); the latter is concerned, through home and hospital visits, with the welfare of the present and retired Community members. The Pension Fund Trustees (directors of Fairblow Dynamics) require no further explanation, and likewise the Sport and Social Club Committee has the obvious function of running the Clubhouse and the Club activities. Most employees are members of the Club; and the bar, with darts, table-tennis and bar billiards is regularly attended, attracting members from all areas of the company, especially the younger office staff.

The remaining two bodies are far more closely involved in the day-to-day affairs of the company and are considered in more detail below. They are, firstly, the Consultative Group, formed in 1971 to act as a channel of communication between employees and the Board. The factory and office areas are divided into eight "wards" each of which elects a member. And secondly, the Management Group, comprising eighteen senior managers, which meets monthly, or as necessary, to discuss matters of concern to managers, and which has developed as a quite powerful voice in the company.
Figure 1 (page 8) suggests that the Community Council is the dominant policy-making body in the company. Although the Council meets quarterly and receives reports from the directors, this is not, in fact, the case and the Council has spent much of its time searching for a role. Sub-Committees have been formed to consider various ways of becoming more effective and reports of Council activities have invited suggestions as to what else they might do. Whenever there were "live issues" within the company, the Council has, for one reason or another, allowed the Joint Consultative Group (that is the Consultative Group Meeting with the Board of Directors) to handle them. Frustrated with the inactivity, one middle manager resigned in protest, but neither he nor anyone else made any clear substantive suggestions regarding the issues the Council might have considered. In the absence of substantive issues, much effort went into designing constitutional amendments to make the Council more directly representative. But the proposals, to reduce to one the Council members sent by both the Welfare and Charity Committees, whilst increasing the members coming from the Consultative Group, failed to achieve the necessary 75% majority at the Community General Meeting, despite (to some extent also because of) the support of the Board of Directors. The Constitution did, indeed, ensure "stability". Part of the reason for this failure was undoubtedly the view that the proposals did not go far enough.

Some of the reasons for this situation are fairly obvious and were well expressed by a number of non-managerial employees. Council members feel somewhat inhibited in doing anything that might constitute "taking on the directors on their own ground" they lack the necessary information. Since there is not a great deal that does not risk this, the passive role of the Council is not surprising. Later on, the obstacles to effective participation at this level are analysed more closely.
But whether or not the Council has "failed" in fulfilling its role is still debatable. Some, but not all of the directors, argued that its role was intended to be a passive one: they argued that it should function like any other body of shareholders. Thus, in approving accounts, appointing auditors, and rubber stamping the appointment of directors (as nominated by existing directors), the Council was doing an admirable job. Like other bodies of shareholders, it should take no part in the direction and management of the company - except possibly in the event of a crisis on the Board of Directors, when it would come into play as a legal "long stop".

The Joint Consultative Group Meetings (that is, of the Board and employee representatives) are held once a month in the Board Room - though emergency meetings can be called by either side. A week before the joint meetings the representatives meet independently in company time to discuss the matters they, or their constituents, want raised. This meeting normally lasts about two hours, but there is no official limit. Thereafter, the Chairman of the Consultative Group representatives presents the proposed agenda to the Personnel Manager, who may deal with any matters falling within his jurisdiction before passing the rest on to the Board Meeting prior to the Joint Consultative Group Meeting.

Most of the discussion involves either directors explaining policies or decisions, or representatives recounting their own or shop floor views on decisions or proposed courses of action. To this extent, the Consultative Group functions as it was intended, as a channel of communication. The discussion takes place within, ostensibly, a broad co-operative and consultative framework; it is not a bargaining situation, and the expression of critical or "oppositional" views is actively discouraged by the directors. For example, the following is an excerpt from
a discussion and explanation of the re-organisation of responsibilities in the Marketing Division, which had resulted in a minor promotion at a time when the company was trying, for reasons of financial prudence rather than crisis, restrict its costs. The problem was somewhat complex, involving a minor breach of procedure, but it involved the general issue of expenditure priorities with many on the shop floor resenting what appeared to be a needless pampering of management when their requests for additional tools and equipment were not met.

REP: When you're in a difficult position you don't go slinging money away somewhere else, do you?

DIRECTOR: But we're not slinging money away! I, (angrily) I object to the use of the loose terms, about 'slinging money away'. The money was put to good purpose (striking table) and you mustn't use the term 'slinging money away'.

REP: Yes, but at such a time -

At this point the director intervened again, but followed by more conciliatory statements from the personnel manager and more carefully formulated remarks from other reps, the director then concluded -

DIRECTOR: I know sometimes it is difficult to accept what at sometimes appears to be a silly decision, but I hope you don't think we are silly here, we are responsible people and that ...... and whatever we do we're just as keen to keep the company successful - all our jobs are at stake -
I haven't got any stashed fortune away, out on the side; if this company goes broke I'm as broke as any of you are .... the directors aren't a select band that have got er .... er .... top hat schemes round the corner. If you lose your job, mate, I lose my job - it's as simple as that.

REP: There is a saying that the apple on the highest point of the tree falls the hardest.

DIRECTOR: Well, there you are, mate, I shall come down with a great big crunch.

(General laughter)

In consequence, many of the representatives present their arguments in the third person:

"On the shop floor the lads are saying .......

or

"A lot of people have been asking .......

with the representative either leaving his own position ambiguous or implying that he himself knows better. They often suggest that the board should post a notice to explain their reasons. The board, of course, want the representatives themselves to convey the reasons to the shop floor - a task for which the representatives are scarcely enthusiastic, for obvious reasons.
How much influence do the representatives wield? On non-commercial issues, the influence can be anything up to total: when canteen prices were raised, the representatives asked for a canteen committee to advise on improvements (in the variety of meals, and so on). This was granted, and quickly produced more noticeable results than the manager previously concerned had been able to achieve, as he himself admitted.

This influence is strong even in the face of managerial opposition; thus the introduction of Flexible Working Hours was effectively blocked by the dogged resistance of the representatives from the shop floor (it was seen as another perk for the offices, but unworkable on the shop floor where, indeed, it smacked too much of clocking-in). They argued that it was open to "fiddles" that it wasted managers' time in administration, that it was an unjustifiable expense at a time of economies, and finally that for these reasons it would anger and demoralise the shop floor if it were introduced against their wishes. These arguments finally persuaded the Board, despite competing claims from some managers that their staff, who had used the system for a three month trial, would be angry if they were not allowed to continue with it.

However, on issues relating more closely to the commercial success of the company, the representatives' influence is significantly less. When the £6 pay limit was introduced, it restricted the percentage based cost of living increase the company would otherwise have paid; but for the lower paid members of the company the percentage increase was less than £6, and the representatives suggested they be given the full £6 award as times were hard, and they would need it. This was firmly rejected on the grounds that it would upset differentials - and that was the end of the matter.
Significantly, the managing director, as chairman of the meeting, made sure it was the end of the matter by switching the subject. He announced that the profit figures on final accounting were sufficiently high to justify the distribution of a supplementary bonus and invited the company secretary to give the details. As one Consultative Group representative put it afterwards:

"We were railroaded off with a bloody great carrot."

The decision to pay a supplementary bonus was not made in order to buy off discontent on the issue of the £6 pay limit. If the supplementary bonus had not been available, it is still extremely unlikely that the lower paid workers would have received the full £6. Nevertheless, the timing of the announcement was no accident - at the very least the managing director saw an opportunity to reunite the meeting, and took it. In so doing he may also have avoided hearing further arguments on the subject, which would have been more difficult to resist and that might have threatened the public consensus which lubricates the procedures. The problem for the managing director, therefore, was more one of ensuring the smooth management of a meeting than protecting the plans and policies of the Board; these were not seriously or substantially threatened by the small sum of money involved.

However, the representatives did influence the formulation of a policy to be implemented if ever general redundancies were required. Indeed, the representatives' proposals were accepted more or less in toto, and how and why this happened illustrates a number of important points.
The policy adopted was that in the event of redundancies being required in certain areas, those concerned would be "scored" on a number of criteria (age, length of service, merit assessments, personal circumstances, readiness to accept redundancy) and the combined scores to be used to select individuals to minimise both the distress caused and the loss to the company. These assessments were to be overseen by the Consultative Group, and those declared redundant to be offered their jobs back if and when this became possible.

The representatives did consider briefly, a "no redundancies" policy, but rejected it on the grounds that it would be unacceptable to many of their own constituents, though there were expressions of regret at the lack of 'community spirit' which this implied. A crucial piece of background information, in understanding this policy, is the fact that the town where Fairblow is located generally experiences a shortage of labour; at the end of 1975, with one and a quarter million unemployed in the country at large, unemployment in this town was still less than three per cent. This has two important consequences: firstly, management were extremely reluctant to lay men off and it was quite clear that the redundancy policy would only be operated if the company was in a fairly serious situation. Taking on work that only contributed to overheads was preferable, even from a conventional managerial viewpoint, to an "in and out" labour policy. Secondly, the absence of serious unemployment in the area meant that some employees could be reasonably confident of finding other work; a "no redundancies" policy, which put them on short time for more than a temporary period held no great attraction for such employees. Likewise, general wage reductions might encourage promising managerial personnel to start looking for other jobs, and a "voluntary redundancies" policy might result in the younger workers, with better prospects elsewhere, taking their redundancy money with a cheer.
Thus, the representatives' interests given the constraints, and in so far as they were committed to the long term prosperity of their company coincided with those of the board. And their suggestion constitutes a classic example of what management hope for from participation: a "bright idea" that fits easily within the framework of management thinking, rather than challenging it. There is a small sting in the tail, however; the Consultative Group were to oversee the implementation of the policy, if ever this was necessary. Such overseeing obviously entails access to the relevant information, and would constitute a significant encroachment on the "free hand" which Fairblow management have enjoyed in the past.

But this description of the Consultative Group deliberations, in fact, misses out much of its influence which flowed from its then Chairman, Mr. G. Prior to his assuming the Chairmanship, the Consultative Group was in some disarray, and so doubted its own value that there was talk of it dissolving itself. Mr. G. However, brought to the Group a careful, cautious, but critical, eye. He was prepared to accept the broad framework of managerial assumptions while pushing, as far as he could, within them and watching for any signs of inconsistency or of failure to honour agreements. He was prepared to put in the "homework" required by a conscientious Chairman, whether combing minutes of previous meetings for useful precedents or unofficially checking out company claims through sympathetic office staff. He was an able Chairman, and always consulted other representatives or his constituents, if this was appropriate.
By taking a role of "loyal opposition", G won the respect of management and the directors. This was obvious in meetings when the managing director would continually glance at G on his right, and direct many of his own remarks to him. Indeed, there were occasions when the directors, realising that G was going to fight a decision and that they were on weak ground, fell over themselves to agree with him, or they withdrew their own proposal before the discussion started. Moreover, between meetings G was continually consulted for his opinion on various matters, or asked to vet notices if they were potentially controversial. He was also involved in many issues raised by employees, but settled before reaching the full Consultative Group.

His work station in the factory was well located for this, being close to both the personnel manager's and the Management Group Chairman's offices. Indeed, so firmly was G built in to the decision-making processes, that there was concern among some regarding whose "side" he was on; they would daily see directors and senior managers hurrying round to his machine for a brief consultation.
Management Group Meetings (comprised of eighteen senior managers) are attended by the four divisional directors, though it has chosen to meet without them on at least one occasion.

The Management Group has yet to find as clear a role as the Consultative Group. In its first year the Chairman resisted pressure to have it develop as a representative body within the political framework of the company. It met to consider issues and problems concerning the managing of the company - for example, a sub-committee was formed to investigate and report on the possibilities for job enrichment. The following year, under a different Chairman, The Group interpreted its function more widely, and represented managers' interests to the Board. For example, on one occasion (already referred to) when final profit figures became available, the Board decided to pay a supplementary bonus, in addition to that already paid on the basis of provisional figures. But the question arose whether this payment was to be considered as a separate bonus distribution or treated as a second part of the previous payment. In the first case, a sum equal to three per cent of turnover would be distributed at a flat rate, the remainder in proportion to wages and salaries, this being the accepted formula for bonus distributions. But in the second case, the money would all be distributed in proportion to wages and salaries - to the obvious, if slight, advantage of managers. The announcement of this additional payment was made at a Joint Consultative Group Meeting, and the representatives were left to decide between the methods of payment. Now, in fact, the representatives accepted that the additional payment was a second instalment of the previous bonus, and their soundings quickly established that there
would not be the 75% majority of employees necessary to overturn procedure and allow another three per cent flat rate distribution. But the Management Group, in the meantime, called an emergency meeting, in which the directors were aggressively criticised for ignoring procedure, capitulating to the Consultative Group and undermining the morale of the management whom the Consultative Group did not represent. The tenor of the meeting was that management felt they were getting a raw deal in the company, and one manager hinted that he was not alone in keeping his eyes open for suitable managerial posts in other companies. This remark, in a spirited meeting, was certainly something of a bluff and an exaggeration, but nonetheless, it indicates an undeniable source of power for the senior managers, who play a vital role in the day-to-day running of the company. No Board of directors could happily pursue policies which resulted in a high rate of turnover amongst people in these posts.

But this meeting was exceptional in uniting the managers as an interest group so tightly - though the opportunity to lambast the directors may have contributed to this. Normally, the meetings displayed a confused range of interpretations of Common Ownership rather than expressing managers distinct interests.

And normally, Management Group Meetings are more concerned with commercial matters. Its monthly meetings start with divisional directors' reports and members can (and do) ask detailed questions about any aspects of the company's performance or plans; problems causing inter-divisional conflict are also discussed, and the board often requests the Management Group's opinion on controversial issues.
If it has yet to establish a clear role demarcating its areas of concern, part of the reason may be its unwieldy size which reduces its effective "throughput". With eighteen members, its discussions continually risk rambling. For example, when the directors asked the Group's opinion on guidelines regarding the time (or times) at which people could start celebrating and/or go home on Christmas Eve, the Group took over half an hour to decide it could not agree. But a contraction in size is obviously difficult, and an expansion in size (coupled with a greater use of committees) would rather too accurately reflect the division between "order givers" and "order takers" for a company concerned to play down "them and us" divisions. The power and status of an exclusive group can cause problems anywhere; but it does appear that these may be given an extra sharpness in a Common Ownership firm. As it was, there used to be resentful mutterings in the Marketing Division when the senior managers disappeared to their "secret meetings".
EMPLOYEE PARTICIPATION IN COMPANY AFFAIRS

The Council and the Consultative Group constitute, either in principle or in practice, the most significant representative bodies within the Common Ownership structure. Clearly, individuals who are members of these bodies have the opportunity to raise, discuss and influence many aspects of company policy and practice. They may be considered as participating to a comparatively high degree in company affairs. But there are a variety of other opportunities for employees to become involved, directly or indirectly, in company related activities, beyond the immediate requirements of their jobs. Whilst it can be argued that some of these involvements are not really participation, it is easier to side-step the semantic and ideological arguments by distinguishing between different forms of participation. In this study distinctions were made between company participation, social participation and job participation. One objective in studying participation is to investigate the meaning for individuals of what is, in fact, a wide range of activities and to examine the correlates and the possible preconditions and consequences of these activities. Hence some such distinctions are needed - indeed, the relationships between these forms of participation are themselves of interest. For the purpose of analysis therefore, indices of company, social and job participation were created from the items described in the following sections and according to procedures outlined in the statistical appendix.

But it must be stressed that individuals with high scores on the variables company and job participation are not necessarily influential. They are likely to be more influential than those who score low on these variables, but this may only amount to the difference between precious
little and nothing. Whether participation is effective, and for whom, are questions of power and interests that are (even) less susceptible to statistical analysis.

To assess the degree of "company participation" - defined as an awareness of, and involvement in, matters of company policy and practice, beyond the immediate requirements of the job - the questionnaire schedule included a number of items concerning the extent to which respondents knew about and made use of the opportunities and procedures of the constitution. These items and the responses to them are summarised in Tables 1 and 2.

Regarding the first item in Table 1, there were good reasons for being confused about who precisely was the representative for a particular area (since one representative and many staff were working in different areas to those they had been in at the time of the elections). Given this, the fact that just under half the sample reported going to a representative over an issue and that just over half discussed things with a representative, whilst only twenty per cent ignored the Consultative Group minutes posted on notice boards, the Consultative Group procedure would appear to have fairly strong informal roots among employees. In fact, only eleven per cent of the sample neither read the minutes nor had been in contact with representatives.

* The questionnaire was administered to a random sample of half the employees below the level of senior management - further details are in the Appendix.
Table 1: Significance of Consultative Group to Employees.

a) Coded responses to:

"Who is your Consultative Group Representative?"

<table>
<thead>
<tr>
<th>Coded Responses</th>
<th>No. of cases</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct</td>
<td>55</td>
<td>74%</td>
</tr>
<tr>
<td>Incorrect</td>
<td>6</td>
<td>8%</td>
</tr>
<tr>
<td>Don't know</td>
<td>13</td>
<td>18%</td>
</tr>
</tbody>
</table>

N = 74

b) Responses to:

"How often have you gone to a Consultative Group member with a problem or issue in the last year?"

<table>
<thead>
<tr>
<th>No. of times</th>
<th>No. of people</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td>43</td>
<td>57%</td>
</tr>
<tr>
<td>Once</td>
<td>10</td>
<td>13%</td>
</tr>
<tr>
<td>Twice</td>
<td>12</td>
<td>16%</td>
</tr>
<tr>
<td>Three or more</td>
<td>10</td>
<td>13%</td>
</tr>
</tbody>
</table>

N = 75

c) Responses to:

"How often do you discuss things with a Consultative Group representative or a Council member?"

<table>
<thead>
<tr>
<th>Reply</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rarely/Never</td>
<td>31</td>
<td>41%</td>
</tr>
<tr>
<td>Occasionally</td>
<td>26</td>
<td>34%</td>
</tr>
<tr>
<td>Quite often</td>
<td>19</td>
<td>25%</td>
</tr>
</tbody>
</table>

N = 76

d) Responses to:

"How often do you read the minutes of the Consultative Group or Community Council meetings?"

<table>
<thead>
<tr>
<th>Reply</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rarely/Never</td>
<td>15</td>
<td>20%</td>
</tr>
<tr>
<td>Occasionally</td>
<td>6</td>
<td>8%</td>
</tr>
<tr>
<td>Quite often</td>
<td>54</td>
<td>72%</td>
</tr>
</tbody>
</table>

N = 75
Table 2: Reported Attendance at, and Intentions regarding, General Meetings

a) Responses to:

"Did you attend the Special General Meeting of the Fairblow Community in October?"

<table>
<thead>
<tr>
<th>Reply</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>45</td>
<td>58 %</td>
</tr>
<tr>
<td>No</td>
<td>32</td>
<td>42 %</td>
</tr>
</tbody>
</table>

N = 77

b) Responses to:

"Do you think you will attend any General Meetings of the Fairblow Community in the future?"

<table>
<thead>
<tr>
<th>Reply</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>51</td>
<td>67 %</td>
</tr>
<tr>
<td>Maybe</td>
<td>15</td>
<td>20 %</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>13 %</td>
</tr>
</tbody>
</table>

N = 76
Likewise the two questions on attendance at General Meetings of the Fairblow Community give similar results. The meeting had been held in company time and over half the sample had attended, indicating that this proportion maintained at least a passive interest in company affairs. In line with this only thirteen per cent indicated they had no intention of attending general meetings in future.

The remaining questionnaire item was "Are you members of the Fairblow Community?" and was intended to indicate a knowledge of the basic constitutional structure. Since all employees are automatically members of the Fairblow Community, it is a "trick" question and was only included (still with considerable misgivings) because it had been used two and a half years earlier in a survey undertaken by the company's production director in the course of work for his DMS. Hence there was an opportunity to assess whether knowledge of Common Ownership had increased in the intervening years.

The two sets of responses for this question are given in Table 3 and there appears to have been a marked increase in the proportion of employees who understand this aspect of the Constitution. The difference in the proportion of employees who knew they were members of the Fairblow Community in 1973 and in 1976, is eighteen per cent (plus or minus approximately eight per cent for ninety-five per cent confidence).

* This comparison probably underestimates the extent to which employees are now better informed; the 1973 survey was by self-administered questionnaire and achieved only a seventy-five per cent response rate, compared with ninety-three per cent for the administered schedule. It is likely that the proportion of employees who knew that they were members of the Fairblow Community was less than sixty-seven per cent since the twenty-five per cent who did not reply were likely to have been less interested and involved in Common Ownership - and thus less knowledgeable about it. In addition, the 1973 survey included senior managers likely to be better informed - who were excluded from the 1976 survey.
Table 3: Awareness of Membership of the Fairblow Community

1973 and 1976 responses to:
"Are you a member of the Fairblow Community?"

<table>
<thead>
<tr>
<th>Cases</th>
<th>Percentage</th>
<th>1973</th>
<th>1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
<td>108</td>
<td>67</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>23</td>
<td>5</td>
</tr>
<tr>
<td>Don't know</td>
<td></td>
<td>31</td>
<td>7</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td>162</td>
<td>79</td>
</tr>
</tbody>
</table>

Furthermore, it is plausible that some of the "don't knows" correctly believed that they were members of the Fairblow Community but became uncertain in the face of a question that implied they might not be. In any case, it is clear that an overwhelming majority of employees are aware the Fairblow Community exists and that they are members of it.

In addition to the questionnaire responses, records of actual employee involvement were also gathered. In late 1975 the personnel department distributed a questionnaire to gather employee opinions about the possible introduction of flexible working hours. This was obviously an issue that would have affected employees directly and only seven members of the sample (eight per cent) did not return questionnaires – suggesting that the proportion of employees lacking any interest or confidence whatsoever in the consultative processes of the company is quite small.

The other records of employee involvement are summarised in Table 4, which gives current and past membership of committees, for the sample.
<table>
<thead>
<tr>
<th></th>
<th>Consultative Group</th>
<th>Council</th>
<th>Suggestions Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Member</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Past Member</td>
<td>8%</td>
<td>4%</td>
<td>-</td>
</tr>
<tr>
<td>Never Member</td>
<td>89%</td>
<td>91%</td>
<td>96%</td>
</tr>
</tbody>
</table>

\[ N = 85 \]

The obvious conclusion from all these responses is that there is a gradient of interest and involvement in the representative procedures and company affairs.

The gradient stretches from the small number of employees who have nothing at all to do with such matters through a larger number prepared to take part, albeit rather passively, given a suitable issue and opportunity, and through others who are more actively interested, to those who have been, or are, representatives. This interpretation is the basis for and provides a certain face validity to, the index of company participation computed from the items and used later in the analysis.
EMPLOYEE PARTICIPATION IN SOCIAL ACTIVITIES

Social participation was defined as all social contact with other members of the company beyond that which arises in the normal course of work.

The most explicit forms of social participation centre around the Sports and Social Club. This is run by a committee whose members are responsible for stocking and manning the bar, for maintaining the clubhouse and equipment, and for the various activities of club members. Thus, the Club has darts and table-tennis teams, it organises discotheques and outings to shows, there is a cricket team, a band, and occasional additional events such as meetings for those interested in wine and beer making. Finally, there is a gardening section that obtains seed and other supplies on discount. Clearly this is a wide range of activity and the Club is generally well supported (though the committee perennially complained of a lack of interest). More than three quarters of the sample were members, their subscription being deducted from their wages or salary and matched by a contribution from the company. Although the most active members tended to be younger office staff, the regular Friday evening sessions attracted employees from all levels of the company.

Given that some employees lived a distance away and would not therefore find it easy to support the Club, this high level of activity is a strong indication of the sort of social atmosphere in the company. Nevertheless, it is not surprising that this activity also generated a degree of tension between different groups of employees. For example, some members complained that activities were poorly supported by those on the shop floor - and shop floor members, in their turn, did not think Club activities catered sufficiently for their interests.
These sorts of problems are well illustrated by the following incident:

A group of women employed on the electronics wiring and assembly sections asked for permission to play table-tennis in the clubhouse during lunch. This was granted and the women used to go down and play most lunchtimes. However, the idea soon caught on and some members of the office staff joined them. Indeed, because they were better able to slip away a few minutes early to open the clubhouse, the "electronics" women soon found they were arriving too late to get a game. The resulting complaints led to the allocation of different days to different groups. But since the "electronics" women did not want to play regularly and simply wanted to be able to go down and "mess about" when they felt like it, this, in turn, led to complaints that the table was not being used on some of their days, although others were eager to play. The committee then suggested instead that whoever turned up should be given games in turn. Alas, this system did not last long since the "electronics" women were unhappy playing serious games with table-tennis enthusiasts. Feeling that their idea had been "taken over" and that they were being squeezed out, they eventually resigned from the Club in protest. To their disgust, even this protest failed and as their leader (and former Club committee member) commented:

"If a group in the offices all resigned it would be a different story."

Nevertheless, the range of social activities is impressive. Available records and the questionnaire were both used to build a picture of employees' involvement with other members of the company beyond that required by their jobs. This
data is not limited to formal Sports and Social Club activities, but ranges from these to some items in which the amount of discretionary social contact is slight. The data is summarised in Tables 5 and 6, and gives a reasonable indication of informal social contact and activities. It was used to construct an index of social participation used in the analysis in Part II of this monograph.
Table 5: Social Participation, as obtained from records

NOTE: In all cases N = 85

a) Membership of Sports and Social Club.

<table>
<thead>
<tr>
<th>Cases</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>65</td>
</tr>
<tr>
<td>No</td>
<td>20</td>
</tr>
</tbody>
</table>

b) Current or past membership of Club Committee

<table>
<thead>
<tr>
<th>Cases</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>5</td>
</tr>
<tr>
<td>Former</td>
<td>7</td>
</tr>
<tr>
<td>Never</td>
<td>73</td>
</tr>
</tbody>
</table>

c) Dinner Dance Attendance.

<table>
<thead>
<tr>
<th>Year</th>
<th>1974</th>
<th>1975</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>47 (55%)</td>
<td>54 (64%)</td>
</tr>
<tr>
<td>No</td>
<td>38 (45%)</td>
<td>31 (36%)</td>
</tr>
</tbody>
</table>

d) Articles in "Muchado"

<table>
<thead>
<tr>
<th>No. of articles</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>78</td>
<td>92%</td>
</tr>
<tr>
<td>1</td>
<td>5</td>
<td>6%</td>
</tr>
<tr>
<td>2</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>1%</td>
</tr>
</tbody>
</table>

e) Member of Welfare or Charity Committees

<table>
<thead>
<tr>
<th>Status</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>Non-member</td>
<td>83</td>
<td>98%</td>
</tr>
</tbody>
</table>
Table 5 (cont'd)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Customer of company canteen</th>
<th>Member of Investment Club **</th>
<th>Buyer of eggs from company member</th>
<th>Helped redecorate Social Club</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>21 (26%)</td>
<td>6 (7%)</td>
<td>27 (32%)</td>
<td>8 (9%)</td>
</tr>
<tr>
<td>No</td>
<td>61 (74%)</td>
<td>79 (93%)</td>
<td>58 (68%)</td>
<td>77 (91%)</td>
</tr>
</tbody>
</table>

Notes.

* The company financed this annual event.

♂ The company magazine published quarterly (or occasionally) and distributed free.

** An informal club of employees with a small Stock Market holding. This included office and shopfloor employees.

oo One employee, a laboratory technician, through internal advertising etc., sold eggs to others. Customers ranged from boardroom to shopfloor.
Table 6: Responses to Questionnaire Items on Social Participation

a) Club Activities in which respondents took part

<table>
<thead>
<tr>
<th>Reply</th>
<th>Darts</th>
<th>Table Tennis</th>
<th>Outings</th>
<th>Discos</th>
<th>Cricket</th>
<th>Band</th>
<th>Others</th>
<th>Nothing in Particular</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>19</td>
<td>11</td>
<td>16</td>
<td>12</td>
<td>5</td>
<td>0</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>No, don't know, etc</td>
<td>66</td>
<td>74</td>
<td>69</td>
<td>73</td>
<td>80</td>
<td>85</td>
<td>70</td>
<td>60</td>
</tr>
</tbody>
</table>

b) Responses to

"Have you ever helped organise a collection for another member of the company (on their marriage, say, or retirement)?"

<table>
<thead>
<tr>
<th>Reply</th>
<th>Cases</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>37</td>
<td>47%</td>
</tr>
<tr>
<td>No</td>
<td>42</td>
<td>53%</td>
</tr>
</tbody>
</table>

N = 79

c) Responses to

"Do you think you will attend the next annual dinner dance?"

<table>
<thead>
<tr>
<th>Reply</th>
<th>Cases</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>59</td>
<td>75%</td>
</tr>
<tr>
<td>Maybe</td>
<td>6</td>
<td>8%</td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>18%</td>
</tr>
</tbody>
</table>

N = 79
EMPLOYEE PARTICIPATION AT TASK LEVEL

The purpose of this section is to describe the organisation of work at Fairblow Dynamics with particular regard to those factors influencing the extent to which employees are involved in decisions about their work. This requires, first of all, a general account of the formal structure and the technologies employed, even though these are not unusual. It should also be pointed out that short of participant observation over a considerable time, it is extremely difficult to build up a clear picture of work organisation in a factory. The variety of activities, the necessary fluidity of organisation, and the inevitable "underlife" of informal arrangements, mean that one must rely fairly heavily on anecdote. These anecdotes illustrate what the subjects feel are the important aspects of those topics the researcher is interested in. But both the time this requires and the difficulty of checking out the claims made, mean that such accounts of work organisation must always be somewhat impressionistic.

The work is organised for batch production - small batches of instrument and large or medium sized batches of fans and domestic appliances. Production is divided into sections, each with a chargehand who is responsible to a supervisor - one in each factory. The work moves through as follows:

from "Sheet Metal" to "Press Shop"

to either "Impeller Assembly"
or "Case Assembly" (for spot welding) and the Paint Shop
to "Assembly" (either fan, instrument or electronics)

To "Packing and Dispatch"
or "Stores"

with additional parts coming (via the Stores)

from "The Machine Shop"
or "The Pitot Shop" (for instruments)
or "Electronics"
or "Goods Inwards" (bought-in parts)
These sections all vary in size from being a couple of people (including chargehand) to ten, although the precise number at any point in a section will vary slightly as employees are moved around to match the work load.

Not surprisingly, task cycles are short, particularly in the Press Shop, although there are some automatic presses. The actual assembly of fans and appliances is done on short lines of three or four people, using power tools, but moving the products manually. Task cycles are generally about one or two minutes. The exception is instrument assembly, where there is no line as such; some employees prepare a variety of parts as required and others assemble (and sometimes calibrate) complete instruments in small batches.

In addition to these sections, there are maintenance, production control, production engineering and quality control departments, whose managers, like the supervisors, are responsible to the production director. As the company grew these departments were gradually extracted from the province of supervisors - and not without some friction. Indeed, the development of a quality control system to replace inspection was still in process during the research.

This was being phased in gradually as older inspectors retired and as younger ones were given additional training. But the new approach also required employees on assembly lines to fill in sheets recording faulty parts on sub-assemblies. Some employees doubted the value of this paper work and were scarcely enthusiastic about recording the information required. According to the Quality Control Manager, it had taken many months of coaxing before the electronics section accepted it.

The introduction of this change illustrates an important point of management style. Although managers and supervisors varied, there was a general reluctance to deliver strict instructions,
at least until cheerful requests and gentle pressure had been
given a good long try. As on this occasion "long" might well
mean months.

For example, management do not set production rates for the
various sections; employees are expected to work at a reasonable
pace and record how long it takes them. These times are then
used for costing purposes. Nevertheless, managers are concerned,
from time to time, lest things are being taken a bit too easily
in some areas. One manager explained how the problem had been
handled in the Electronic Assembly Section. It had been put
about that a rather faster rate was wanted and when modifications
were introduced to the principal product some minor production
changes were also introduced that allowed supervisors and
managers to claim that higher rates were now possible and
expected. This had succeeded in increasing output quite
considerably over a period of time, but the manager still
thought they were taking it easy. He pointed out that when
they had reached their unofficial quota the girls would stop,
light cigarettes and wait until finishing time. Moreover, he
claimed that the introduction of a piece-rate bonus would
instantly push production up a further thirty per cent - "but
that wouldn't be Fairblow".

Given Fairblow’s rule that employees set a reasonable pace of
work for themselves, the manager’s behaviour was understandable;
but equally understandable is the women’s reaction: they saw
the manager concerned as devious. As one of them put it
"They always get their way however much consultation there is".

One or two managers had a very different style. A senior
production engineer when he took on the reorganisation of the
stores, presented a long list of changes to those directly
involved and asked why they should not all be implemented.
This provoked what he termed "an instant flare-up" and what
the storemen called a shouting match. They argued that many
of the changes were impractical, others were not worth the effort and only a few were worthwhile. The storemen marvelled at his obstinacy, whilst the manager assumed that after this initial reaction and after had had insisted that they suggest better ways of reorganising things, a workable package of changes would be worked out. But he claimed that in his experience they were not likely to suggest many improvements. This issue had not been completely resolved when the research ended, but it was clear both that a number of major changes had been introduced and that a number of others had been forgotten (at least for the duration) and one had been modified by appeal to the personnel manager and the Safety Committee.

The storemen's complaint in all this was that the manager concerned did not know the details of their work that made many of his suggestions inappropriate.

But whilst this approach is more robust and explicit, it is still essentially one of pressured compliance. Employees can resist and suggest alternatives, but they must make significant concessions because, in the end, they will receive straightforward instructions if they do not. Just what concessions are required, and when the end may come, are a matter of guesswork for the employees involved. As a result, many offer little overt resistance and few suggestions, when changes are introduced. Given the inequality of power in its various dimensions, underlying the relationship, they see little point in doing otherwise, and thus the view, held by some of the managers in the production division, that one could expect little constructive participation from employees, is true in its context.

Generally, they regretted that employees were not more forthcoming and did not take better advantage of the opportunities for participation at this level. These managers talked about the problem of motivation, but generally concluded that some
people were motivated (and you used the merit system to make sure you kept them) whilst others were not, which did not mean one should not do everything possible to encourage a positive attitude - if employees did make suggestions, they had to be taken seriously; it simply meant that one did not expect more than small changes slowly, at the best. Indeed, it could be argued that despite the emphasis on "participative management" and "good communication", this more pessimistic view was the prevailing one in the higher levels of the company: two years earlier a suggestions scheme (discussed below) was introduced to offer very tangible inducements for employees to use their information and ideas for the benefit of the company.

However, in some areas employees did participate much more thoroughly in the planning and organisation of their own work. One such area was the Maintenance Section, where the nature of the work undertaken obviously precluded detailed procedures separating "doing" from "arranging". This section was particularly close knit, and, interestingly, the high level of "job participation" was matched by a high level of involvement in company affairs: one member was a representative, and the manager, since he reported to the production director, was a member of the Management Group. The members of the section followed company affairs closely and often discussed matters among themselves.

Another area where employees were more involved in the organisation of their work was the Instrument Assembly Section, already referred to as distinctive through the absence of an assembly line, and generally greater "completion" in tasks. Here, there was tacit resistance by employees, led by the chargehand, to the production engineers; for his part, the production director was concerned that things were not working as they were supposed to in this area and he was worried that the supervisor spent too much time "messing around" fixing things and not enough time supervising.
Wherever possible, the chargehand and his colleagues made up their own jigs and fixtures and they were scornful of what they saw as the cumbersome overelaborate, inappropriate and expensive equipment produced by the production engineers. While all but the simplest jigs were clearly the responsibility of the production engineers, this did not stop the chargehand and his supervisor going to Woolworths together and buying cheap G-clamps on their afternoon off and rigging up their own clamping system with wood and bolts.

On one visit to this area a researcher was shown five such fixtures in as many minutes, in order to illustrate the superiority of their own devices over those produced by "them" on the other side (in the other factory).

The close friendship between the chargehand and supervisor (both versatile and ingenious engineers who took great pride and satisfaction from their work) and the physical separation of the section from the main production areas and offices in the larger factory probably insulated this section sufficiently for the high level of self-organisation to survive.

Whatever the reasons, the difference between this area and one of the others was rather dramatically revealed when an instrument that had, anomalously, been produced on a fan assembly line was finally switched to the instrument assembly section. Immediately a whole nest of problems was uncovered by the employees on instrument assembly. When the fan assemblers were asked how they had handled these difficulties, it quickly became apparent that for years they had been putting the instrument together in a way that seriously distorted its calibration; this was the only way they could get things to fit. Not surprisingly, modifications were urgently prepared.

It could be argued that this difference between the two areas simply reflects the superior skill and ingenuity of employees on instrument assembly. Though this may be part of the answer,
it rather begs the question and arguably the key differences lie firstly in the task structure that allows greater completion and hence a better comprehension of the engineering involved; and secondly in the organisation - whereas employees elsewhere must channel their ideas through others, members of the instrument assembly section are able to implement their ideas directly (and, crucially, learn more about the problems in doing so). One can speculate that these situations could only be expected to produce similar levels of initiative if something like the following rather improbable circumstances existed: employees experience no difficulty explaining ideas to the production engineers; the production engineer is always willing to listen, to explain fully why an idea is unworkable, to implement even minor improvements suggested by employees and to appreciate any non-technical concerns of employees in assessing suggestions; and finally despite less knowledge about how production is actually carried out, the production engineer never miscalculates and rejects useful ideas. Unless conditions like these are met, employees would see fewer of their own ideas implemented, without learning the value (or otherwise) of rejected ideas. This would be likely to lead to fewer suggestions - as the best way of maintaining a respectable proportion of successes. Since fewer suggestions would also mean less learning, the number of useful suggestions would not be maintained.

However, it would be misleading if this implied too stark a contrast between the maintenance and instrument assembly sections and other areas. The difference is a matter of degree: although largely excluded from responsibility there were certainly individuals in other areas who regularly offered ideas and suggestions on work methods to those responsible. Indeed, the chargehand from fan assembly had occasionally handled problems on the line in a novel way: he had sought advice from the laboratory manager who worked close by. This manoeuvre completely evaded the formal procedures of the
company and neatly illustrates its informality - in this case a source of satisfaction to chargehand and laboratory manager alike.

In summary, therefore, the scope for initiative and involvement among manual employees is fairly limited, largely on account of the production organisation adopted. Most employees do not consider they will contribute much in solving production problems - either because they feel that they lack the understanding, or because they will not be listened to. But this structured passivity is offset by a few areas where a fairly high measure of self-organisation survives, and by a scattering of individuals who, one way or another, exercise considerable initiative on occasions, in tackling work problems. On the other hand, it should be stressed that this situation is not a major source of frustration and resentment: employees maintain a high degree of control over the pace of work and the participative management style at least protects employees from sudden and arbitrary changes.

Another basic feature of work organisation at Fairblow is job flexibility. Employees are expected to move to different jobs as this is required by uneveness in the flow of work. While the organisational advantages of this practise are enormous it has traditionally been strongly resisted by Trade Unions: not only does it amount to an intensification of work by eliminating significant slack periods, but it greatly augments the power of foremen and supervisors with discretion over who is assigned to "good" and "bad" jobs. At Fairblow, job flexibility was generally welcomed. "It makes a change", was a frequent comment. But some employees had reservations, feeling "it can be carried too far". For example, one instance was recounted in which a supervisor had tried to transfer a press operator to help in stocking the stores. The employee concerned had objected, since there was, at that time, someone else not hired as a press operator working on a press.
He took the matter up with the production director who overruled the supervisor. On the other hand, the massive flexibility practised during the "three-day week", when office staff invaded the works en masse, and the works staff were given work in the offices or painting and gardening, had become part of the company folklore, recounted with pride and nostalgia.

The suggestion scheme was a fairly recent innovation at Fairblow and had originally been established under the chairmanship of the managing director. Very quickly, however, this passed to the manager of the drawing office, a gentle character, who presided over meetings with scrupulous impartiality. The other members were all chosen from different areas of the shop floor, with the exception of a tool designer whose experience was obviously relevant. Though selected by management for the committee, the members were chosen for their general ability and understanding of production problems, and certainly did not constitute a group that would be easily swayed. Thus the scheme was a minor management function delegated within general guidelines, and to that extent under the control of employees.

The meetings were held once a month, and the chairman read out the suggestions without giving the name of the person who had made the suggestion. If the committee felt unable to assess a suggestion, it was deferred to a later meeting pending investigations into feasibility. When a suggestion was implemented, the committee decided on an award, up to a maximum of £25. Whilst the financial benefit to the company was the principal criteria, the committee was quite prepared to make comparatively large awards to ingenious suggestions that would only be socially beneficial - for example, the suggestion that the company place umbrellas in the lobby of each building for use by staff going backwards and forwards on rainy days.
There was general approval of the scheme and the way it was run. But some of the skilled older employees (particularly on instrument assembly) refused to use it believing that it was part of one's job to make suggestions, even in areas that were not one's direct responsibility.

In a number of ways, therefore, the emergence of the suggestion scheme and the way it was run and responded to exemplify the changing roles in a company that is no longer "small" in terms of production methods but retains some of the trust and informality of a small company.

In order to supplement the impressionistic nature of the preceding analysis, an attempt was made to develop a measure of job participation. In doing so, there were two problems - one practical, the other theoretical.

Existing measures such as the Job Diagnostic Survey\(^\text{15}\) are massively comprehensive, and thus time consuming to an extent that made them inappropriate. Secondly, they are concerned solely with what Hackman and Oldham\(^\text{16}\) call the "Motivating Potential" of the job itself. By emphasising the attributes of the job this approach excludes variations in employee behaviour for a particular job. In contrast, job participation was defined as the extent to which a person is aware of and involved in the connections of his work with others, beyond what is minimally required in his position. A strong correlation between the "motivating potential" of a job and "job participation" could be expected, but the point is that employees vary in their reactions to a given job - some do only what is necessary whilst others will suggest improved methods and so on. There is always a grey area of discretionary action. In creating an index of job participation it was hoped to measure the extent to which individuals took on themselves activities in this grey area and considered their work as narrowly or broadly defined.
Such a measure would be equivalent to the indices of social and company participation (thus social participation was not measured by asking about the degree of social contact in a person’s job).

The method chosen for this measure was that of analysing responses to a critical event - a problem on the job. This was a question that had been helpful in unstructured interviewing. In the questionnaire, therefore, respondents were asked "When there are problems in your work, or you have questions or ideas about it, how often do you sort things out 

You sort things out yourself and with the people you work with?" and how often would you take such problems questions or ideas to your supervisor?" In each case, the replies were structured as "Almost never", "Now and then" and "Quite often". Then respondents were asked what would happen when they took such matters to their supervisor by presenting a number of possible outcomes ("You work something out between you", "Nothing happens" etc) and responses were structured "Never", "Sometimes" and "Usually".

The results are given in Table 7.

The results from these items were disappointing; even when some of the (inadequate) categories in part b) of the Table are collapsed, the replies from a number of respondents still appear somewhat inconsistent.

The questionnaire also included items on the (perceived) autonomy and predictability of respondents work; the results of which are summarised in Table 8.
Table 7: Responses to Items concerning Work Problems

a) Responses to

"When there are problems in your work, or you have questions or ideas about it, how often do you sort things out yourself or with the people you work with?.....

"..... and how often would you take such problems, questions, or ideas to your supervisor?"

Responses offered

<table>
<thead>
<tr>
<th>Reply</th>
<th>Sorted by self or people worked with</th>
<th>Taken to Supervisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost never</td>
<td>5 (6%)</td>
<td>43 (56%)</td>
</tr>
<tr>
<td>Now and then</td>
<td>17 (22%)</td>
<td>26 (34%)</td>
</tr>
<tr>
<td>Quite often</td>
<td>57 (72%)</td>
<td>8 (10%)</td>
</tr>
<tr>
<td><strong>N = 79</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

b) Responses to question concerning outcome when problems were taken to supervisor

Responses offered

<table>
<thead>
<tr>
<th>Reply</th>
<th>A. He shows you the best way of handling it</th>
<th>B. He explains why it has to be that way</th>
<th>C. He takes the matter up with other people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td>6 (8%)</td>
<td>8 (10%)</td>
<td>8 (10%)</td>
</tr>
<tr>
<td>Sometimes</td>
<td>27 (34%)</td>
<td>24 (30%)</td>
<td>53 (67%)</td>
</tr>
<tr>
<td>Usually</td>
<td>46 (58%)</td>
<td>47 (60%)</td>
<td>18 (23%)</td>
</tr>
<tr>
<td><strong>N = 79</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>D. You work something out between you</th>
<th>E. Nothing happens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Never</td>
<td>4 (5%)</td>
<td>52 (66%)</td>
</tr>
<tr>
<td>Sometimes</td>
<td>21 (27%)</td>
<td>23 (29%)</td>
</tr>
<tr>
<td>Usually</td>
<td>54 (68%)</td>
<td>4 (5%)</td>
</tr>
<tr>
<td><strong>N = 79</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 8: Perceived autonomy and predictability of Respondent's Jobs

<table>
<thead>
<tr>
<th>Reply Scale</th>
<th>Autonomy</th>
<th>Predictability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Low)</td>
<td>0</td>
<td>12 (15%)</td>
</tr>
<tr>
<td>2</td>
<td>2 (3%)</td>
<td>19 (24%)</td>
</tr>
<tr>
<td>3</td>
<td>2 (3%)</td>
<td>15 (19%)</td>
</tr>
<tr>
<td>4</td>
<td>29 (37%)</td>
<td>23 (29%)</td>
</tr>
<tr>
<td>5</td>
<td>15 (19%)</td>
<td>6 (8%)</td>
</tr>
<tr>
<td>6</td>
<td>20 (26%)</td>
<td>3 (4%)</td>
</tr>
<tr>
<td>7 (High)</td>
<td>10 (13%)</td>
<td>1 (1%)</td>
</tr>
</tbody>
</table>

NOTE: The actual form of these questions and the scale card used are given in the statistical appendix.

In addition to these questionnaire items, a record was obtained of suggestions made to the Suggestions Committee. An index of "Job Participation" was constructed, using some of the responses in Table 7, the responses on perceived autonomy and predictability, and the suggestions scheme records. Although this does "behave" more or less as expected (it is associated with the type of job held, for example), its validity must remain questionable and its discriminatory power appears limited. It may work; but it does not work well.
How do employees at Fairblow view their jobs and the company? There was widespread agreement, particularly among manual employees, that Fairblow was a good place to work and the company a good employer. These statements are borne out by turnover and absenteeism statistics and the results of the survey*. In the survey respondents were asked to rate their satisfaction, on a 0 to 10 scale, with nineteen different aspects of their jobs. The responses demonstrated that, within Fairblow, satisfaction was comparatively high regarding relations with supervisors, having friendly and helpful people to work with, the holiday arrangements, the hours worked, and the reputation of the firm.

The fact that satisfaction with relations with supervisors had the second highest average rating of all the job aspects is interesting (and discussed further below). Both this point and the friendliness of workmates were often mentioned in unstructured interviews. For example:

(Older employee comparing Fairblow with previous employment) "If I'm having trouble lifting something, people will offer to give me a hand. But there, it was every man for himself."

(Younger employee explaining why he liked Fairblow) "Orders are nicely given at Fairblow - there's a good atmosphere."

* In what follows a general summary of relevant points from the survey is given; a more comprehensive display of results and a discussion of methodological issues is included in the Appendix.
Finally, to underline this point, it is worth mentioning two employees whose spontaneous remarks in conversation made it quite clear that for them the friendly relations and relaxed pace of work were very important. One able young storeman (whose previous employment had included jobs of greater responsibility) said he hoped to stay with the company unless he got married. Then he would have to go for a much better paying job, until such time he was happy to forgo the extra money. And a sheet metal worker reported that he had taken a £15 a week cut in wages to return to Fairblow when there was a vacancy — because it was a friendlier place.

Another point that frequently emerged in interviews, but was concealed by the structuring of the questionnaire items, was the appreciation for the company's policy of giving full pay to sick employees for an indefinite period of time. Finally, when the satisfaction scores on the various items are compared, with a national sample *, satisfaction with the pension scheme is higher at Fairblow (significant at two and a half per cent level). Again, this supports comments in interviews which indicated that older workers valued the company's non-contributory pension scheme.

It is important to note however, that these definite sources of satisfaction all concern social relations and fringe benefits. In contrast the "average satisfaction" within Fairblow was lowest with promotion prospects, then

* See the appendix for details of the survey and the cautions which mean this and other comparisons must be considered only as very rough and ready indicators.
management ability and efficiency, participating in management and physical surroundings. Moreover, when compared with the national sample "average satisfactions" at Fairblow was significantly lower (at the two and a half per cent level or more) on six items; job security using one's own initiative, safety precautions, management ability, the provision of adequate equipment and materials, and "being able to do the things you do best".

The lower level of satisfaction with job security almost certainly reflects the difficult economic climate when the survey was made, compared with that existing at the time of the National Survey two years earlier. But the reasons for the comparatively low satisfaction with the other aspects can only be suggested more tentatively. Two factors may be important in accounting for the low scores regarding aspects connected with management. The first point was obvious from interviews - a dissatisfaction with the middle-level management of the company. This dissatisfaction arose from two contrary considerations. There were those who had been with the company since the early days and who regretted the increasing formality and specialisation of functions. On the other hand, a number of employees with experience in much larger companies considered management at Fairblow as still rather amateurish and sloppy. This division of opinion existed among both manual and non-manual employees. Secondly, it is possible that the dissatisfaction arises partly from the relative openness of the management. Not only are Consultative Group minutes regularly posted, but the same is true of the Safety Committee (comprised of chargehands and relevant managers).
There were no remarks in interview to illuminate the comparatively low satisfaction with promotion prospects, but the fact that after many years of growth, the company had been marking time in the economic downturn, may possibly count for this.

Finally, the comparatively low satisfaction with the intrinsic aspects of work - "Using one's own initiative" and "being able to do the things one is best at" - require comment. Again, the unstructured interviews provided evidence that, although employees enjoyed a friendly work atmosphere and a high degree of control over the pace of their work, nevertheless, the content of many work roles was far from satisfying. Since jobs with short task cycles and little skill were taken for granted, there was no point in complaining about them; but the attitudes of some employees were quite clearly implied when, in this context, they would claim they were only there for the money or remark that the work was "just a job".

This sort of work did not constitute a deprivation for all the employees doing it. But it did for some and their attitude to working at Fairblow was well expressed by the employee who said in the same conversation both that he was in the best job he could hope for and that he was in a boring dead-end job. Hence the picture that emerges from interviews and questionnaires is of a company still strongly marked by the generous paternalism of its origins and where employees' opinions range from those who feel fairly unreservedly that they are fortunate to work there, to those who feel that if they have to do tedious work then Fairblow is still a better place to do it than most.

The questionnaire also explored employee attitudes to management and management-worker relations. Respondents were read a list of nine statements for which the responses were "Strongly disagree", "Disagree", "Half and half", "Agree" and "Strongly agree". The results are given in Table 9.
TABLE 9 : INDUSTRIAL RELATIONS ATTITUDES AT FAIRBLOW

<table>
<thead>
<tr>
<th>RESPONSE</th>
<th>&quot;Strongly Disagree&quot;</th>
<th>&quot;Disagree&quot;</th>
<th>&quot;Half and Half&quot;</th>
<th>&quot;Agree&quot;</th>
<th>&quot;Strongly Agree&quot;</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Management at Fairblow keeps employees in the dark quite unnecessarily:</td>
<td>1 (1%)</td>
<td>14 (18%)</td>
<td>32 (41%)</td>
<td>22 (28%)</td>
<td>9 (12%)</td>
<td>n = 78</td>
</tr>
<tr>
<td>there should be far more information about company matters.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. It is right that management should take all the major decisions</td>
<td>9 (12%)</td>
<td>10 (13%)</td>
<td>20 (26%)</td>
<td>28 (36%)</td>
<td>11 (14%)</td>
<td>n = 78</td>
</tr>
<tr>
<td>about Fairblow</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. The employees at Fairblow have no more say in the firm's affairs than</td>
<td>9 (12%)</td>
<td>28 (36%)</td>
<td>20 (26%)</td>
<td>13 (17%)</td>
<td>7 (9%)</td>
<td>n = 77</td>
</tr>
<tr>
<td>employees in most businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Most managers at Fairblow will give you a fair hearing - if they</td>
<td>2 (3%)</td>
<td>5 (6%)</td>
<td>11 (14%)</td>
<td>43 (55%)</td>
<td>16 (21%)</td>
<td>n = 77</td>
</tr>
<tr>
<td>cannot help you it is because there is a good reason</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Giving employees at Fairblow more of a say would make things better</td>
<td>2 (3%)</td>
<td>20 (26%)</td>
<td>19 (25%)</td>
<td>28 (36%)</td>
<td>8 (10%)</td>
<td>n = 77</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Managers at Fairblow have the welfare of the employees at heart</td>
<td>3 (4%)</td>
<td>12 (16%)</td>
<td>23 (30%)</td>
<td>32 (42%)</td>
<td>7 (9%)</td>
<td>n = 77</td>
</tr>
<tr>
<td>RESPONSES</td>
<td>&quot;Strongly Disagree&quot;</td>
<td>&quot;Disagree&quot;</td>
<td>&quot;Half and Half&quot;</td>
<td>&quot;Agree&quot;</td>
<td>&quot;Strongly Agree&quot;</td>
<td>Total</td>
</tr>
<tr>
<td>-----------</td>
<td>---------------------</td>
<td>------------</td>
<td>----------------</td>
<td>---------</td>
<td>-----------------</td>
<td>-------</td>
</tr>
<tr>
<td>7. Decisions in Fairblow could be made much more democratically than they are now without really harming the company</td>
<td>4</td>
<td>14</td>
<td>24</td>
<td>30</td>
<td>4</td>
<td>n = 76</td>
</tr>
<tr>
<td>8. It seems as though in the future employees at Fairblow could have more and more control over the way the firm is run</td>
<td>1</td>
<td>17</td>
<td>27</td>
<td>28</td>
<td>5</td>
<td>n = 78</td>
</tr>
<tr>
<td>9. Employees need trade unions to look after their own interests at Fairblow</td>
<td>35</td>
<td>24</td>
<td>11</td>
<td>3</td>
<td>4</td>
<td>n = 77</td>
</tr>
</tbody>
</table>
While these replies display a wide range of attitudes to management, the company and industrial relations, they do show a general tendency for employees to agree more with statements sympathetic to management, and disagree with more anti-management ones. There is, however, a belief that more information could be given (40% believed this, see statement 1) and that decisions could be made "more democratically" (44% believed this, see statement 7). This exists as well as a belief that Airflow employees have as much or more to say in the firm's affairs than most employees (statement 3 above - 74% believed this). Trade unions, however, are not seen as the means of achieving this state - 77% did not think they were needed to look after employees' interests.

There is also a feeling (statement 8) that the trend is towards more, rather than less, employee "control over the way the firm is run", which is paralleled by the view expressed by 71% of the sample who felt that more employee control would not be bad.

Without a comparison with employees in other companies, firm conclusions are impossible, but the results do suggest that expectations of employee control and participation have been raised in Fairblow. On the other hand, 50% agreed, or strongly agreed, with the statement that management should take all the major decisions about Fairblow, whereas only 25% disagreed, strongly or otherwise.

It would seem that although there is a desire for, and expectation of, increased employee control, there is also a large degree of acceptance of a managerial prerogative to take "all the major decisions". In addition, the traditional channel of employee challenge to management over control (and other issues) - shop floor trade union organisation - is opposed by a large majority.
Common ownership, it can be suggested, has raised expectations that challenge traditional managerial prerogatives; but not changed an acceptance of "managerial ideology" in a workforce that is opposed to trade unions. These conclusions are supported and filled out by remarks from the unstructured interviews. Many employees complained that "the directors still run the show" or suggested that "if it were really common ownership" things would be done differently. But at the same time they would remark that "managers must manage". Although it is possible that Common Ownership simply provided a convenient justification for the expression of dissatisfaction, it appears that for some, at least, it produces a genuine, and often acknowledged, dilemma. They do feel entitled to "more of a say", but somehow this must not restrict or substitute for management - after all, "you can't have everyone deciding everything."

Likewise, remarks in interviews emphasised that the rejection of trade unions was every bit as vehement as the statistics suggest. Indeed, some employees mentioned the absence of trade unions as one of the good things when asked what they liked about working at Fairblow. (In contrast, one machinist who had, in his earlier days, enjoyed a career as a militant shop steward, mentioned the absence of trade unions as the worst aspect of working at Fairblow).

In summary then, the generously paternalistic policies of the company would appear to a substantial extent, to have attracted employees with, or encouraged in employees, a somewhat "deferential" attitude towards management. But this outlook is tempered at least for some by raised expectations of information and influence. This match between paternalism and deferentialism is one aspect of the friendly social atmosphere already referred to - it is a basis for and reflects the comparatively harmonious relations between management and employees. As one employee put it:

"There's not the same them and us here - there's bound to be some, of course - but it's not like other companies."
As well as looking at attitudes to management at Fairblow, the questionnaire also investigates employees' attitudes to management in their previous employment. The same nine statements were modified to refer to the respondents' previous employer and again they were invited to say how much they agreed or disagreed with each one in turn. The results show that employees held less positive attitudes towards the management in their previous employment. By excluding those who had no previous employment, and cross-tabulating responses for Fairblow with responses for previous employment, it is possible to examine where and to what extent the respondents discriminate between the companies*. Using Wilcoxon matched-pairs signed-rank test, the null hypothesis that the views expressed in the two cases are from the same distribution can be rejected for all but two of the nine statements (at the 1% level).

Thus respondents felt that at Fairblow there was more information about the company (statement 1) that employees had more say (3) that it was more likely managers would give a fair hearing (4), that managers had employees' welfare more at heart (6) that it seemed employees were more likely to have more control over the way the firm was run (8) that trade unions were needed less (9) and that in their previous employment there was more scope for increased democracy without harming the company (7).

The difference in attitudes regarding trade unions is particularly interesting: more than half of those who thought trade unions unnecessary at Fairblow considered them necessary in their previous employment. This bears out the remarks some employees made in interviews when they stated explicitly that they saw the Consultative Group as an alternative to trade unions (on the other hand,

* See Appendix for tables
the trade unionists in Fairblow tended to see trade union activity as still necessary and indeed as the way to make Common Ownership "work properly"). Also interesting is the absence of significant difference in attitudes regarding whether management should take all the major decisions about the firm (2) and whether more employee say would make things better (5); in both contexts employees generally accepted managerial prerogatives and tended to believe that more employee say would make things better.*

As rough indicators of attitudes "for" or "against" management two indices - one for attitudes at Fairblow, the other for previous employment - were constructed, using eight of the nine statements (see Appendix for details). But it is worth stressing that these aggregate statistics mask a very wide range of individual experiences and perceptions. To say that attitudes to management at Airflow are more positive compared with previous employment does have some value, but it ignores many of the complex shifts that have occurred.

* The ambivalence in employee attitudes may be more apparent than real; if employees were tending to agree with the interviewer's statements, the responses would produce this sort of result. On the basis of interview remarks already referred to, it is very doubtful if this is the whole story.
ATTITUDES TO COMMON OWNERSHIP

Those who work at Fairblow perceive and assess the Common Ownership structure in a number of different ways. Some aspects of these perceptions have been mentioned in describing company participation and attitudes to management. In this section attitudes to Common Ownership generally are examined. This is done first by examining responses to items in the questionnaire, secondly by discussing material from unstructured interviews and observations at meetings.

The questionnaire included four items on Common Ownership, each employing a ten-point scale for responses. Respondents were asked:

(i) How much they approved or disapproved of the idea of Common Ownership;
(ii) How satisfied or dissatisfied they were with the way Common Ownership works at Fairblow at the moment;
(iii) How satisfied or dissatisfied they were overall, with Fairblow being a Common Ownership firm;
(iv) How important or unimportant Common Ownership was in determining how satisfied or dissatisfied you are with your job.

The responses to these items are summarised in Table 10.
Table 10: Rounded Percentages of Responses to Common Ownership Items for each scale point

<table>
<thead>
<tr>
<th>Scale point</th>
<th>i the idea</th>
<th>ii the way it works</th>
<th>iii overall</th>
<th>iv Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>0</td>
<td>4</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>12</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>9</td>
<td>21</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>6</td>
<td>3</td>
<td>14</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>21</td>
<td>13</td>
<td>13</td>
<td>17</td>
</tr>
<tr>
<td>8</td>
<td>31</td>
<td>16</td>
<td>25</td>
<td>17</td>
</tr>
<tr>
<td>9</td>
<td>8</td>
<td>4</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td>10</td>
<td>25</td>
<td>8</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Mean</td>
<td>7.8</td>
<td>5.9</td>
<td>7.2</td>
<td>5.7</td>
</tr>
<tr>
<td>N</td>
<td>77</td>
<td>76</td>
<td>71</td>
<td>78</td>
</tr>
</tbody>
</table>

* For item (i) the scale is - approve (10) to disapprove (0)

* For item (ii) the scale is - satisfied (10) to dissatisfied (0)

* For item (iii) the scale is - important (10) to unimportant (0)
These results suggest the following conclusions:

1. There is a high degree of approval for the idea of Common Ownership;
2. There was a fairly high degree of satisfaction with Fairblow being a Common Ownership form (as opposed to a private company);
3. There was a distinctly lower level of satisfaction with the way Common Ownership was working in practice.
4. Common Ownership itself was not seen as an important factor in job satisfaction (compared with the importance of the other job aspects, as recorded by the survey).

In addition to the above questions on attitudes to Common Ownership, respondents were asked

"Which three aspects of your job do you think are most benefited, if any, by the company being commonly owned?"

and a similar question relating to those job aspects seen as damaged by Common Ownership. The results are given in Table 11. The job aspects given were those used in the job satisfaction items (see overleaf).

* To test whether questions (i) and (iii) or (ii) and (iii) were measuring the same dimensions a Wilcoxon matched pairs signed-ranks test was used. In either case the null hypothesis that the two were measuring the same thing could be rejected at (at least) the 1% level of significance.
Table 11: Benefits and Damage to Job Aspects as a Result of Common Ownership

<table>
<thead>
<tr>
<th>Job Aspect</th>
<th>Number mentioning effect of Common Ownership as</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Benefit</td>
</tr>
<tr>
<td>Convenience of travel to and from work</td>
<td>1 (1%)</td>
</tr>
<tr>
<td>Promotion prospects</td>
<td>3 (4%)</td>
</tr>
<tr>
<td>The total pay, including any overtime and bonuses</td>
<td>14 (19%)</td>
</tr>
<tr>
<td>The physical surroundings</td>
<td>1 (1%)</td>
</tr>
<tr>
<td>Relations with your supervisor or manager</td>
<td>22 (29%)</td>
</tr>
<tr>
<td>The job security</td>
<td>35 (47%)</td>
</tr>
<tr>
<td>Being able to do the things you do best</td>
<td>5 (7%)</td>
</tr>
<tr>
<td>Friendly and helpful people to work with</td>
<td>13 (17%)</td>
</tr>
<tr>
<td>Public respect for the sort of work you do</td>
<td>5 (7%)</td>
</tr>
<tr>
<td>The time you are given to do the work</td>
<td>5 (7%)</td>
</tr>
<tr>
<td>The holiday arrangements</td>
<td>10 (13%)</td>
</tr>
<tr>
<td>The pension scheme in your firm</td>
<td>15 (20%)</td>
</tr>
<tr>
<td>The hours you work</td>
<td>10 (13%)</td>
</tr>
<tr>
<td>Participating in management</td>
<td>14 (19%)</td>
</tr>
<tr>
<td>Using your own initiative</td>
<td>7 (9%)</td>
</tr>
<tr>
<td>The reputation of your firm</td>
<td>9 (12%)</td>
</tr>
<tr>
<td>Safety precautions, controls on health hazards</td>
<td>7 (9%)</td>
</tr>
<tr>
<td>Ability and efficiency of management</td>
<td>8 (11%)</td>
</tr>
<tr>
<td>Provision of adequate equipment and materials for your job</td>
<td>3 (4%)</td>
</tr>
<tr>
<td>None mentioned</td>
<td>8 (11%)</td>
</tr>
</tbody>
</table>

n = 75  n = 73
From this it can be seen that the effects of Common Ownership are generally thought to be beneficial. Whereas 89% of valid replies include perceived benefits, only 29% included perceived damage.

Job security (mentioned by 47%) is the most widely perceived benefit, followed by relations with supervisors or managers (29%). Then come pensions (20%) participating in management (19%) and total pay (19%).

Some of these perceived benefits are clearly related to aspects of the way Common Ownership works: thus job security, participating in management and total pay can be seen as benefitting (respectively) from the protection against takeover, the representative bodies and the profit related bonus - all of which can be fairly directly linked to the Common Ownership framework. It is not so easy to guess at perceived links between Common Ownership and relations with supervisors and managers and the pension scheme, though the company does appear to do well in both respects. Two explanations suggest themselves:

(A) The responses have little meaning and simply indicate an attempt to justify an approval of Fairblow being Common Ownership, by naming those job aspects for which the company was generally held in high regard; there is no underlying "model" to link the ownership structure with these benefits, or indeed with any of the other aspects that are not mentioned frequently.

(B) The responses indicate a belief that Common Ownership enjoins among managers a respect for employees and their welfare; the "model" would thus be one in which Common Ownership has subtle but significant effects on the outlook of
managers and the climate of the organisation. Such a belief would also validate the choice of other job aspects that are not mentioned frequently and which have no obvious or direct links with the Common Ownership structure.

There is no way of choosing between these explanations - and each may be true of some employees. But since there are other grounds for believing that Common Ownership does indeed have an impact on management attitudes and behaviour (as is argued in a later section of this paper), it is suggested that the second explanation has some definite application. In any case, it would be somewhat cavalier to write off as "response effect" so many of what were often the respondents carefully considered opinions, simply because their reasons for holding these opinions are not immediately transparent.

The only job aspect which more people felt was damaged than benefitted, was the ability and efficiency of management (15% saw damage and 11% benefit). This appears related to views expressed at times by managers that the need for consultation reduced management efficiency, as well as more general feelings that management ability and efficiency was not as high as might be expected.

Overall, then, on the basis of these items, the sample felt that although it was not very important, Common Ownership did offer substantially more benefits than costs and it gained strong approval as an idea. But, at the same time, they were not particularly satisfied with the way Common Ownership worked in the company. This picture leads again to a consideration of expectations and their influence. The most plausible
explanation of this view of Common Ownership is:

(i) that expectations have been raised as a result of the change to Common Ownership;

(ii) these raised expectations have not been satisfied;

(iii) employees do not perceive the changes that have taken place in the company as far-reaching as they feel possible.

This interpretation is supported by considering the opinions of employees expressed in meetings and unstructured interviews. This material is difficult to summarise, because employees' attitudes to Common Ownership were by no means clear cut. Several admitted uncertainty as to what it all added up to and would argue in one direction for a bit before saying "on the other hand" and switching to a quite different tack. The clearest example of this complexity of attitude was provided by a maintenance worker. He expressed considerable scepticism about the various representative bodies and Common Ownership; despite this, he reported "noticing" that he took far more care of equipment and materials at Fairblow compared with other companies he had worked for. He had even bought in some materials from home and, on a couple of occasions, gone to "cadge" spares from companies he used to work for, trouble he had never taken in previous jobs. More generally, it was common to be told that Common Ownership made no difference, or that the person interviewed did not really care about Common Ownership, and then to hear a number of points that indicated the reverse. In many cases, for example, an expressed indifference to the Consultative Group did not prevent an employee from following its affairs closely. Likewise, the expression "That's your bonus, there" - directed at any expenditure the speaker disapproved of - was used by many employees throughout the company, including some
who claimed that Common Ownership "meant nothing". Similarly, Common Ownership was intermittently mentioned in meetings and discussions, usually by someone wondering whether a particular proposal was "in the spirit of Common Ownership" or criticising a decision as inappropriate "in a Community firm". Such arguments were not considered irrelevant (though they might very well be overridden by other considerations).

In general terms, therefore, Common Ownership did appear to have at least a minor impact on employees' attitudes and behaviour; but employees (and managers) were concerned to play down its significance. It was as though they wanted to deflate what they guessed were the interviewers rosy expectations regarding Common Ownership. But if this was the case, at least on some occasions, it is reasonable to suppose that the employees were attributing to the interviewer expectations regarding Common Ownership that they regarded as normal, and which they had once shared. Hence, although some employees were genuinely hostile or indifferent to Common Ownership, it is suggested that many expressions of hostility and indifference make more sense when considered as indicating a degree of disillusion. And this disillusion was often tempered by a recognition of some benefits from Common Ownership and a residual hope that it might yet be possible to make Common Ownership "mean a bit more".

Given these general points that bear on the attitudes of most Fairblow employees, it is still useful to distinguish three basic views of Common Ownership within the company. Comparatively few employees adopted one of these opinions wholeheartedly, but they define the space within which most employees move when assessing Common Ownership.
First, there were those who were genuinely indifferent. One press operator, for example, said he thought management were wasting their time by distributing questionnaires (for consultative purposes) on the question of flexible working hours. He had not returned his: "If management want to bring back clocks, that's their business". If, at some point, he no longer found Fairblow a reasonable place to work, he would leave and that was that. Likewise, there was a supervisor who supposed he should take "a bit more interest in it all" but who was clearly absorbed in engineering problems. As a supervisor he reported directly to the production director and was thus a member of the management group. But he did not attend regularly, spoke very rarely (and briefly) and quite evidently he was uneasy and uninterested in the meetings. Although concerned about the changes in production management that had been introduced, he did not see the Common Ownership framework as at all relevant to these problems. Hence, Common Ownership had no purchase on his attention.

Secondly, there were those with a basically positive view of Common Ownership. These employees stressed the protection against takeover and the fact that they were not "lining anyone else's pockets". They were much less inclined to see the Consultative Group as ineffective and believed that Common Ownership did encourage a friendly atmosphere. And although they might question specific decisions, these employees considered management to be basically well intentioned.

Thirdly, there were employees with a negative view of Common Ownership. These employees argued that it was all a "tax fiddle".*

* There is a grain of truth in this remark, though it can just as well be considered as an advantage of the arrangements: the original directors surrendered their shares in return for ten year contracts as directors (remuneration linked to the cost of living), after which time they would be well pensioned. This is a fairly secure arrangement, and avoids the tax or death duties problems that otherwise would arise sooner or later.
and that the directors were still in charge. There were dark hints that reprisals would follow if anyone spoke out against the directors. They claimed the Consultative Group was ineffective - it was the "Noddy Parliament" for representatives who sat around nodding their heads in agreement. It had not achieved anything - the shop floor was still ignored. One particular event was often cited to illustrate some of these points; this was the occasion when the board distributed a questionnaire to ascertain company feeling on the method of bonus distribution (whether flat rate, or proportional to earnings). After examining the replies, the board announced that, owing to the size of the minority, they would not implement the simple flat rate system favoured by the majority (instead they proposed the composite system already referred to). Above all, those with a negative attitude argued that Common Ownership made no difference to them, they were not really "owners"; there was nothing tangible to show for it all; nothing had really changed. Interestingly, this reaction was predicted by a senior director in a memo expressing reservations about proposals for Common Ownership in late 1970:

"It is my view that the presentation of "Common Ownership" so hedged about with restrictions and safeguards to provide no more tangible rewards than are available in the ordinary way, will lead to disbelief, disillusionment and frustration."

Turning to middle and senior management, some of the same points apply. As with employees, there was a tendency to play down the impact of Common Ownership and also considerable confusion over how much difference it could or should make. It was a commonplace that Fairblow was really "no different" from any other medium sized company with a participative management style and good internal relations - though there was some uncertainty whether this was grounds for satisfaction or criticism. Some directors retained a mild
anxiety as to where it might yet all lead, but a number of middle managers wanted to "get the Council moving" or "make Common Ownership mean something" - in ways that were never very specific. But certain opinions were widely shared: the protection against takeover was mentioned more often and more emphatically by managers and there was a shared view of Common Ownership as presenting an irresolvable conflict between commercial and democratic principles. The democratic principles were generally endorsed but seen, more or less, regretfully, as limited in application. Against their daily experience of pressure and intermittent crises regarding the need to capture orders and get the goods out, they saw little opportunity to integrate the principles and thus democratic considerations inevitably suffered. Nor is this simply a case of managers enjoying a free hand and simply using commercial pressures as grounds for shutting their subordinates out of decisions. At one meeting called to discuss company morale, several members argued strongly that participation was not working or had gone too far. The Board's approach was spreading dissension and confusion further down the company; instead, the board should reassert its authority by making decisions and closing ranks behind them in the normal way. *

It is worth pointing out, however, that many of the same members could be expected to complain if they were not consulted on other issues. Some directors felt that this showed how "we're bound to be wrong whatever we do". If the managers were distinguishing between different sorts of issues they might still have been consistent; but it should be clear why senior personnel felt some doubt over the scope that existed for democratic and participative procedures.

* This meeting was largely a storm in a teacup; it is not suggested that the confusion caused by Common Ownership was generating a serious problem of morale - indeed it is the researcher's guess the problems under discussion had more to do with the increased size of the company and the need to develop new products quickly, than with Common Ownership.
And obviously, managers who simultaneously wanted the directors to direct and the opportunity to influence directors' decisions were in the same dilemma as employees who wanted "more of a say" whilst accepting that "managers must manage".

Given these common elements and uncertainties in managers' perceptions of Common Ownership, it is again useful to outline some differences; to this end managers can be roughly distinguished as "hard" or "soft" regarding their views of Common Ownership.

"Soft" managers were more likely to emphasise the "democratic" aspects of company policy. One manager, for example, talked about making the company more of a community where to some extent, at least, people cared about the people with whom they worked. Those expressing this view were not generally critical of shop floor attitudes (indeed, one manager with strong socialist views suggested employees should be pushing them far harder) but they did tend to criticise some of the more "ruthless" cost cutting decisions of younger managers. For example, they took the view, in the case of two jobs becoming redundant, that a company their size ought always to be able to find work for people with the qualifications of those concerned (whether this attitude would have extended to those without qualifications is uncertain). This group included some senior managers who held considerable informal influence within the company. Indeed, one of the individuals whose job was threatened was able to enlist their support in his efforts to prevent redundancy. Their discrete lobbying on his behalf was certainly one major factor in the board's decision to create, with some difficulty, an alternative post.

Those who held this general outlook, saw the advantages of Common Ownership apart from increased job security, as lying in easy and informal communication within the company,
a reduction in "them" and "us". As a result of this, the laboratory manager (referred to in the discussion of job participation) claimed his opinion of shop floor intelligence had risen during his years with the company.

Likewise, proponents of this viewpoint were quite prepared to accept shop floor opposition to the introduction of flexible working hours: it was not a commercial matter, so the majority view should prevail, even if they personally favoured flexible working hours.

In contrast, there were managers who held a "hard" view of Common Ownership; this emphasised the commercial success of the company and saw Common Ownership as removing the major source of conflict which would otherwise reduce the efficiency of the organisation as it did elsewhere.

Proponents of this outlook tended to bemoan the "traditional" distrust and suspicion of the shop floor and were particularly incensed at what they considered was the refusal by employees' representatives to take any responsibility for unpopular decisions that they were involved in, no matter how necessary. They talked of the slow and difficult process of education whereby employees would come to realise that an active co-operation with management would benefit everyone, not just those at the top who, after all, had no more stake in the company than anyone else. A similar instrumental attitude was expressed towards other forms of participation and consultation: it could throw in useful ideas to modify a proposal, but it very easily became a brake on managerial initiative. For these managers, therefore, Common Ownership is interpreted within, and is seen as, providing excellent support for a unitary ideology of management.

There is some evidence that these "hard" and "soft" interpretations of Common Ownership were related to personal and situational variables. "Soft" managers tended to have
staff positions, displayed a "local" orientation and had been with the company a number of years. "Hard" managers were more likely to be in line management, were younger and generally displayed a more "cosmopolitan" orientation. But this relationship is based on a very limited number of "pure" cases and since senior management were excluded from the survey sample, no quantitative data relevant to the issue is available.
1 THE AIMS OF A STATISTICAL INVESTIGATION

The analysis that follows has two main aims. One is to explore further the sorts of responses employees make to the Common Ownership structure at Fairblow, the meaning they give to their involvement in the company and the consequences such involvement may have for their satisfactions at work and their attitudes towards management. Ideally, one would be concerned with the personal and situational determinants of participation and its attitudinal consequences; but neither the available data, nor, indeed, social reality itself, allow such a clear cut causal chain to be extracted. Without controlled experimentation, statistical associations must be interpreted with great caution; and, in reality, the factors considered are often bound in reinforcing relationships that generate a process of change - in which case the nature of the process is far more important than the search for a prime mover.

But if a strict causal analysis and firm conclusions are impossible, a statistical analysis may still discriminate between relationships which merit further investigation and those which can fairly safely be ignored; and it may very well throw up patterns among variables that illuminate the frame of reference under which the responses or behaviour took place.
The second aim of the analysis is to make a modest contribution to the debate on employee participation and its supposed effects on job satisfaction and industrial attitudes. Any conclusions in this respect must be tentative - for reasons already given regarding the available data. But since the Common Ownership structure provides unusual opportunities for participation, it offers a potentially rather interesting test of the generality of the "participation-satisfaction" hypothesis.
The analysis that follows is based on contingency tables, since these provide a simple way of summarizing data that arises from nominal and ordinal (rather than interval) measurement. However, a long series of tables is not easy to digest.

Because the "D-systems" method represents the import of contingency tables in a clear and simple way, it has been used in the analysis that follows.

The technique possesses several other important advantages:

(i) the mathematics on which it is based (differences in proportion) are extremely simple.

(ii) though it assumes linearity, it can represent non-linear relationships (by using trichotomies).

(iii) it indicates the possible strength of a relationship and not just its statistical significance (especially with very large samples, statistical significance alone may distract from substantive insignificance).

In addition, when used with larger samples in more complex multivariate analysis, the method has a number of other advantages compared with regression, path analysis etc.,

* Readers uninterested in statistical technique should skip the next few pages, and turn to the guidelines on how to read the diagrams given after the example on page 86
but these are irrelevant in this context. See Davis\textsuperscript{21} for a discussion. Arguably, therefore, it is a technique that deserves to be better known; and it is hoped that the simple diagramming conventions listed below can be absorbed easily enough to justify its use here primarily as a "visual aid"*

These advantages appear to outweigh a possible objection: the method is intended for use in causal analysis and requires that the variables be ordered. However, in some of the associations considered below there is little basis for claiming that the main causal impact is

\begin{center}
\begin{tabular}{c}
  A \rightarrow B \\
  B \rightarrow A
\end{tabular}
\end{center}

rather than

There is no way of avoiding this arbitrariness: the numbers cannot make theoretical assumptions – they only display the likely relationship if such assumptions about the predominant causal impact are correct. This point should be borne in mind when considering the diagrams, because the reverse order will produce a somewhat different result. Should the causal order presented appear implausible to the reader, he or she may always rework the data to generate the reverse relationship by reconstructing the original contingency table.

* Some more elaborate non-parameter methods were also used as described in an earlier report\textsuperscript{22}, but the results add nothing of any substance to this analysis.
Confidence intervals are given for all the relationships reported; but since these are largely determined by sample size, they sometimes include zero; so it must not be assumed that all the relationships depicted below are statistically significant at the 5% level. The justification is that the suggested magnitude of the relationship may still mean it warrants consideration - and readers can decide for themselves how much confidence to place in the results. In addition, it can be argued that in an exploratory investigation the rather greater "costs" of Type II errors (i.e. prematurely rejecting interesting hypotheses) mean that the conventional 5% level is not an optimal level of statistical significance.

Using the example (below) of the effect of age on overall job satisfaction, the following conventions should be used in understanding the diagrams.

1. A solid arrow indicates a positive relationship ("increases"); a broken arrow indicates a negative relationship ("decreases").

2. The arrow coefficient (.22 in the example) indicates the magnitude of the relationship and can range from +1 (for perfectly related variables) to -1 (for variables with a perfect negative relationship). This statistic is "d", the difference in proportion, and is equivalent to a raw regression coefficient.
3 In practice, in studies such as these, the following rules of thumb may be used in assessing "d": from .05 to .15 indicates a moderate relationship; .15 to .25 indicates a strong relationship; and anything over .25 is very strong.

4 The brackets following "d" give the confidence interval for the conventional 95% level - plus or minus .16 in the example.

5 Within the boxes, the proportions of the sample in the categories are given - i.e. 68% of the sample had "high" scores regarding their overall job satisfaction.

6 The K value is the proportion of the base who are in the category of interest. In the example, therefore, 57% of younger employees had "high" job satisfaction.

7 Since "d" is the difference in proportion, it follows that the proportion of older employees with high job satisfaction is .79 (that is, .57 + .22). The mathematically inclined may also have noticed that (.51 x .22) + .57 = .68. Clearly, too, by using N the figures allow one to recreate the original contingency table.

* Calculated with the formula

\[
1.96 \sqrt{\frac{P_1 q_1}{N_1} + \frac{P_2 q_2}{N_2}} \times \sqrt{1 - \frac{N}{p}}
\]
Where a variable may take more than two values (i.e. High, Medium and Low) one of these must be used as the Base category; the differences in proportion are differences between the value in question and the base category.

In the diagrams that follow, arrow with coefficients of less than .1 have been omitted; given the sample size, the confidence interval will always be much larger than .1, and by omitting them the diagrams can be read more easily.

The data used in the analysis was introduced in the description of Fairblow. The variables used are summarised below - further details are given in the statistical appendix.

Participation: Indices of Company, Social and Job Participation based on questionnaire responses and activity measures.

Attitudes: Indices of attitudes to management at Fairblow and to management in respondent's previous employment. Some possible problems of interpretation and response effect associated with this latter index are discussed in the statistical appendix.
Satisfaction: Scores on the 11-point scales for overall job satisfaction, satisfaction with the different aspects of work at Fairblow, the importance of these aspects, and approval of the idea of Common Ownership were grouped into "High" and "Low" categories.

"Background" Data: This included age, sex, length of service, the type of work (manual or non-manual), the "status" of employees (skilled manual and intermediate non-manual were "high" status; semi and unskilled manual and junior non-manual were "low" status).
WHO PARTICIPATES?

The purpose of this section is to consider the social characteristics of those who take up the various opportunities for involvement in Fairblow, beyond the requirements of their job.

As the diagrams indicate, men, those with high status, and those who have been with the company for a number of years, appear more likely to have a close involvement in company affairs:

\[
N = 72 \\
\begin{align*}
\text{MALE} & \quad \text{(Prop.} = .71) \\
& \quad K = .19 \\
\end{align*}
\]

\[
N = 72 \\
\begin{align*}
\text{HIGH STATUS} & \quad \text{(Prop.} = .53) \\
& \quad K = .24 \\
\end{align*}
\]

\[
N = 72 \\
\begin{align*}
\text{LONG SERVICE} & \quad \text{(prop} = .56) \\
& \quad K = .22 \\
\end{align*}
\]
It is interesting that company participation does not appear to be associated with the type of work - whether manual or non-manual - of employees; but the skills and responsibility of employees within both these categories do seem to affect the degree of involvement.

Age is also associated with participation in company affairs.

Thus older employees tend not to be moderately involved in company affairs - they appear to be either high or low participants (in what seem to be similar differences of proportion, though the sample size means there cannot be the same confidence in this corollary).

As regards Social Participation, both the status and the type of work of employees are associated with an involvement in the social life of the company:
As regards Job Participation only sex and status appear to be associated with the index - and in both cases some doubt about the relationship must remain, since the confidence intervals include zero.

The factors that have been considered so far are basic classificatory variables and while their relationships with the different forms of participation give a fair answer to the question "who participates?" the relationships were more or less predictable. There are however, a number of other factors which appear to influence participation.

One of the most interesting of these is the index of attitudes towards the management in employees' previous employment.
This result must be interpreted cautiously. However, in so far as the index does pick up on differences in respondents' previous employment experience, it appears that those who held negative attitudes towards their previous management are much less likely to ignore company affairs, and indeed, they are more likely to be highly involved.

This could arise in a number of ways, but part of the explanation for this relationship may lie in employees (especially older ones) whose experience was in larger companies having chosen, instead, to work for a less impersonal smaller company.

In addition, the attitudes to previous management are clearly related to the importance for respondents of participating in management:
In its turn, the importance of participation is clearly related to both job and company participation:

\[ N = 60 \]
\[ K = 0.38 \]

"ANTI" PREVIOUS MANAGEMENT (Prop = 0.46) \[ 0.27 \pm 0.19 \] PARTICIPATION IMPORTANCE HIGH (Prop = 0.5)

\[ N = 75 \]
\[ K = 0.61 \]

PARTICIPATION IMPORTANCE HIGH (Prop = 0.49) \[ 0.25 \pm 0.15 \] JOB PARTICIPATION IMPORTANCE HIGH (Prop = 0.73)

\[ K = 0.26 \]

\[ N = 72 \]
\[ K = 0.47 \]

PARTICIPATION IMPORTANCE HIGH (Prop = 0.47) \[ 0.18 \pm 0.16 \] COMPANY PARTICIPATION IMPORTANCE HIGH (Prop = 0.35)
In both cases, respondents who participated highly considered participation to be important.

In addition, approval of the idea of Common Ownership may be mildly associated with the extent of involvement in company affairs:

Finally, those who are involved in company affairs in one way are more likely to be involved in some other aspect of company affairs— that is to say, the different indices of participation are themselves related. The most interesting of these relationships is between Job Participation and Company Participation:
Not only is this associated more strongly than any of the other variables with Company Participation, but the relationship seems still to hold if one controls for status (though it is stronger for high status employees).

Social participation is also related to Company Participation:

Finally, there may be a lesser association between Job Participation and Social Participation:

These results can be summarised in the following way:

At Fairblow "high status" employees and those for whom participation is important, are more likely to participate in the different areas of company life; in addition, those
who participate in one such area are more likely to participate in another - this is particularly true of those closely involved in company politics; they are overwhelmingly drawn from those who can be considered as taking a wider point of view of their day-to-day work, becoming involved in its connections with other members of the company. Finally, it appears that employees' previous work experience is associated with an involvement in company affairs, a relationship which may arise from the sort of employees that Fairblow has attracted.
4. THE SATISFACTION AND ATTITUDES OF THOSE WHO PARTICIPATE

The purpose of this section is to consider whether and in what ways job satisfaction and attitudes to management may be related to involvement in different areas of Fairblow's activities. The main emphasis is on company participation, since it is this area that the Common Ownership structure makes distinctive. However, job and social participation are considered briefly and provide some interesting contrasts with company participation.

Job Participation

There does not appear to be any association between job participation and overall job satisfaction. This does not necessarily mean that respondents' involvement in matters that concern their work is not a source of some satisfaction; but it suggests that if it is then those who participate to a lesser extent do not consider participation so important (as the data have already indicated) and they find satisfaction in their work in other ways.

More interesting is the absence of a relationship between the job participation index and the scores for satisfaction with participating in management.

This result masks a difference that arises if the type of work is controlled for: the confidence intervals expand as the category sizes fall, but it does appear that among non-manual employees high job participation is associated with high satisfaction with participating in management, whereas among manual employees high job participation is associated with low satisfaction regarding participation in management (d = .19 (± .22) in this case).
One plausible interpretation of such an association would be that manual employees understand something rather different by the idea of participation in management, as compared with non-manual employees. The implications of a difference of this sort are considered later in this monograph.

Finally, there does not appear to be any association between respondents' attitudes to management and the extent of their involvement in matters relating to their work.

Social Participation

Turning to Social Participation, there is again no association between the level of involvement and the overall level of job satisfaction; nor indeed, with the scores for satisfaction with respondents' supervisor or manager.

The relationship between social participation and attitudes to management is complex:

\[
\begin{array}{c}
N = 77 \\
\text{SOCIAL PARTICIPATION HIGH (Prop = .27)} \\
\text{SOCIAL PARTICIPATION LOW (Prop = .35)} \\
\text{BASE* SOCIAL PARTICIPATION MEDIUM (Prop = .37)}
\end{array}
\]

* Since the relationship is non-linear, the social participation index was trichotomised in this case.
It is clear that those who are most active in the social side of company life are the most likely to have "pro-management" attitudes; but apparently this does not mean that those who remain uninvolved socially are any more likely to hold negative view of management. Although it could arise in other ways, this result is at least compatible with a high level of social involvement, being conducive of more positive attitudes towards management.

Company Participation

There is no indication that those who were closely involved in company affairs were more satisfied with their jobs. More significantly, perhaps, there was likewise no relationship between company participation and satisfaction with participating in management. Indeed, the only relevant satisfaction score to which company participation may possibly be related is "Satisfaction with the way Common Ownership Works at Fairblow" - and if there is a relationship here it would appear to be negative.

\[ N = 73 \]

<table>
<thead>
<tr>
<th>COMPANY PARTICIPATION</th>
<th>HIGH (Prop = .36)</th>
<th>MEDIUM (Prop = .32)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPECTED FACTORS</td>
<td>[ \zeta^{20} (\pm .22) ]</td>
<td>[ -15 (\pm .22) ]</td>
</tr>
</tbody>
</table>

\[ \text{BASE: COMPANY PARTICIPATION LOW (Prop = .33)} \]
The most plausible explanation for these results is in terms of the expectations of those who become involved in company affairs. It was pointed out, in the first part of this paper, that both interviews and a number of the descriptive statistics suggested Common Ownership had raised employees expectations regarding the company and their influence within it. Once again, it appears that Common Ownership at Fairblow has not satisfied the expectations it has generated. The interpretation is supported by recalling the fact that high company participation was associated with strong approval of the idea of Common Ownership — which may plausibly be interpreted as reflecting expectations regarding Common Ownership.

Considering next the attitudes towards management of those who participate in company affairs, the data present an interesting picture.

<table>
<thead>
<tr>
<th>COMPANY PARTICIPATION</th>
<th>&quot;PRO-MANAGEMENT&quot; (Prop = .35)</th>
<th>&quot;NEUTRAL&quot; (Prop = .4)</th>
<th>&quot;ANTI-MANAGEMENT&quot; (Prop = .18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH</td>
<td>K = .33</td>
<td>K = .63</td>
<td>K = .04</td>
</tr>
<tr>
<td>(Prop = .35)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LOW</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Prop = .32)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[
N = 74
\]

BASE: COMPANY PARTICIPATION MEDIUM (Prop = .32)
Although some of the confidence intervals include zero the overall pattern is quite clear: the attitudes of those who are closely involved in company affairs are polarised; and the same is true of those whose involvement is slight. There is a strong indication that both high and low participators tend not to have neutral attitudes; they either tend towards a negative view of management (and it is clear that this happens) or they may have a positive view (though there must be some doubt regarding this last relationship and it is clearly weaker than the others). Above all it is clear that there is no simple linear relationship between company participation and attitudes to management. And it should be noted that although the strength of the relationship varies (and the confidence intervals, of course, stretch alarmingly) the same pattern remains quite distinct if one controls for status and the type of work.

The pattern could arise in a number of ways:

(i) Participation at Fairblow means different things to different people: for some (those with negative attitudes), it is a way of countering managers they distrust; for others (those with a positive attitude), it is an expression of support for a structure of which they approve.

(ii) As for those who remain uninvolved in company affairs, they lack either the motive for such an involvement, or the confidence that it would make any difference.

(iii) Involvement in company affairs changes the attitudes of employees: when expectations of influence remain unfulfilled this is accounted for by blaming management - hence participation leads to anti-management attitudes.
(iv) Moreover, such disillusion leads to apathy - hence the association between anti-management attitudes and low involvement.

(v) For some employees with neutral attitudes, a close involvement in company affairs enjoins a greater understanding of management problems and hence more positive attitudes.

Obviously, these possibilities are not mutually exclusive; indeed, the unstructured interviews provided, for each of these points, at least one comment to suggest that processes as described had occurred at Fairblow. But there is no way of assessing the comparative importance of these different possibilities.

So far the analysis has proceeded as if the factors that determine an employee's level of involvement do not include the attitudes of employees, a factor that has been treated entirely as a dependent variable. Such an assumption is clearly simplistic. But, in considering the possible impact of attitudes on participation, it makes sense to discriminate between employees in terms of their comparative attitudes. One can then distinguish between, on the one hand, those employees with a positive view of Fairblow’s management who held a similar view of management in their previous employment, and, on the other hand, those employees with a positive view of management at Fairblow who held a much less positive view of management in their previous employment. The rationale for classifying employees in this way is that behaviour is likely to be affected not just by attitudes being positive or negative, but also by whether or not management at Fairblow is seen as different.
For this purpose the sample was divided into three groups: the first, the "Discriminating Supporters" comprised those who held neutral or "pro-management" views of Airblow, but a substantially less positive view of their previous management. Substantial, for this purpose, meant a different of at least six points on the two indices - and, of course, many respondents produced much greater differences.

The second group were the "Undiscriminating Accepters": those who held similarly positive or neutral views of management both at Fairblow and regarding their previous employment.

Finally, the "Critics" comprised those who held a consistently negative view of management, along with the very few respondents who, though, distrustful of Fairblow's management, held neutral or pro-management attitudes regarding their previous employment.

The first point to note about this categorisation is that of the 59 respondents who had been employed elsewhere, a half were "Discriminating Supporters", a third were "Undiscriminating Accepters" and the remaining one-sixth of the sample were "Critics". These proportions are themselves very interesting - though the small numbers of "Critics" and "Undiscriminating Accepters" are unfortunate for statistical purposes! A second point is that the category names imply a particular interpretation of the data - though perfectly plausible other interpretations may be possible.

How, then do these comparative attitudes relate to company participation? The results are striking and a strong encouragement that it is meaningful to distinguish between employees in this way:
Given the small numbers of "Critics" and "Undiscriminating Accepters" the procedures used in calculating confidence intervals were not strictly legitimate. Nevertheless, the differences in proportion are exceptionally large and the pattern of the relationships makes intuitive sense.

In substantive terms, the data suggest that the perception of Fairblow as different and "better" (in terms of management worker relations) strongly disposes respondents towards an involvement in company affairs. On the other hand, respondents who, though uncritical of Fairblow's management, did not consider the company to be much different in this respect, are far less likely to become involved. Finally, those with a negative view of management at Fairblow (and in most cases elsewhere as well) tend to become heavily involved or, failing that, to ignore company affairs altogether (on this last point, the Critics are less likely than the Undiscriminating
Accepters to be low participators - not surprisingly, since the latter group dominate this category - but they are more likely than the Discriminating Supporters to be low participators).

Since the comparative attitudes of respondents appear to be such an important factor in their response to Fairblow, it is worth considering the profiles of the three groups more closely. Firstly, manual workers are more likely to be "Critics", but status does not appear related to comparative attitude.

Social participation is related to comparative attitude, if at all, in the same way as company participation - though far less strongly. On the other hand "Critics" are less likely to have high Job Participation scores, and likewise they tend not to rate highly the importance of participation. The Discriminating Supporters, on the other hand, do tend to consider participation important. Predictably, too, the "Critics" are the least likely to be highly satisfied with the extent of their "participation in management", their relations with their supervisor or manager, and, indeed, with their job as a whole. On these satisfaction scores, there is a consistent, if slight and statistically insignificant, tendency for the "undiscriminating accepters" to be more satisfied than the "discriminating supporters".

Finally, the attitude items concerning Common Ownership present differences that are by this time almost predictable. The "Critics" are distinctly less satisfied with "the way Common Ownership works at Fairblow", while the other two groupings display almost identical proportions that are "highly" satisfied. But as regards approval of the idea of Common Ownership, the Critics - half of whom give "high" approval - are far in front of the "Discriminating Supporters" - one-
third give "high" approval - while, most interestingly, the "Undiscriminating Accepters" bring up the rear, with only a fifth evincing enthusiasm for the idea of Common Ownership.

However crude the distinctions used in classifying respondents regarding "Comparative Attitude" it should be clear that this is a factor that warrants serious examination on situational, psychological and ideological dimensions - in any future research of this sort.
5 IMPLICATIONS OF THE ANALYSIS

The aim of this section is to consider the implications of the analysis, first for the view that extensions of participation may promote satisfaction and more positive attitudes to management; and secondly, as regards future research on the way employees respond to and assess Common Ownership structures.

Participation, Satisfaction and Employee Attitudes

The consistent absence of a relationship between participation, in any of its forms, and satisfaction, is striking. Until recently, it was widely accepted that increased employee participation led to greater job satisfaction. But as Lischeron and Wall\textsuperscript{24} demonstrate, the empirical basis for this belief has never been particularly strong. Without longitudinal data this analysis can be no more conclusive than other correlational studies that were rather freely interpreted as supporting the participation-satisfaction hypothesis. It is quite possible after all that those who participate would be much less satisfied than the non-participators, if they did not have the various opportunities to participate. Nevertheless, the results are hardly encouraging for proponents of the participation-satisfaction hypothesis.

Moreover, some of the other results suggest why participation may be unrelated to satisfaction. First, it should be noted that the three different forms of participation each related to respondents' attitudes in different ways. High "company participation" was associated with negative (and possibly also positive) views of management; high "social participation" was association with positive attitudes to management; and high job participation was not associated
with any particular attitude to management. This seems to confirm the decision to consider them separately as different activities to which employees may give rather different meanings. However, the participation-satisfaction hypothesis has not always been qualified by reference to the extent or context of participation - despite the fact that the results which were (rightly or wrongly) interpreted as supporting the hypothesis, arose from far more limited extensions of participation, usually affecting only the task or departmental levels. Hence, the first point is that participation is a very general concept and even if it is the case that extensions of some forms of participation increase satisfaction, there is no particular reason to suppose that extending any form of participation will have the same effect.

Secondly, the polarisation of attitudes that seemed to be associated with a close involvement in company affairs suggests that those who participate in this way at Fairblow may view their involvement and interpret their experience in quite different ways. In contrast, it is possible that there is a far narrower range of meanings associated with the more limited extensions of participation with which most of the participation-satisfaction literature has concerned itself. If these speculations are correct, then it would not be surprising if there is no simple relationship between participation in this form and satisfaction.

This leads to the third, and most important, point (which may, in fact, underpin the first two). The data have consistently suggested that the expectations of employees at Fairblow have been raised by the introduction of Common Ownership. If this is the case, then it becomes extremely difficult to interpret satisfaction scores at all: low satisfaction with participating in management may simply tell us that expectations have been raised (and vice versa). The
relationship between low company participation and high satisfaction with participating in management may readily be interpreted in this way. The trouble is that if the expectations of many employees have changed the measures of dissatisfaction are too crude: for example, a degree of disillusion or dissatisfaction with the results of getting involved in company affairs does not rule out the possibility of employees still having gained some satisfaction from what they have learned and achieved through their involvement. In other words, the extremely simple measures of satisfaction that have been used in this (and many other) studies cannot really cope with the ambivalence that may arise when expectations are raised and only partially fulfilled.

The implications for the participation-satisfaction hypothesis are therefore clear: firstly, even if it can be shown that extensions of participation in some forms lead to greater satisfaction, it does not follow that participation at other levels and in a different context will necessarily have the same result - as Blumberg, for example, seems to assume. Secondly, if increased participation has, on occasions, led to greater employee satisfaction this may have been achieved because the change was introduced without raising employees' expectations unduly. Thirdly, where expectations are affected by more ambitious organisational changes, a far more subtle concept of satisfaction is required - and, indeed, it may be an irrelevant concept to include in any assessment of such changes.

Implications for Future Research on Employee Ownership

Since the research at Fairlow was exploratory regarding employee responses to the Common Ownership structure, it should be assessed in terms of the indications it has given of fruitful avenues of further research. Before listing the factors and relationships that appear to be important and worth much closer examination, one point
must be stressed: if the conclusions that follow do have some basis in reality, this may very well be limited to the early years of Common Ownership structures, where these are introduced in similar fashion to Fairblow.

The first factor that must be considered if any future research is to account for employees' responses to Common Ownership is the effect on expectations that such a structure generates. This seems to affect who becomes involved and the assessment of how well it is working. The various problems and possibilities that may emerge from such raised expectations are considered more closely in the last part of this monograph but it is clear that they may powerfully affect the way the structure works. Hence expectations must be considered as regards the sort of employees who are likely to become involved; as regards the outcome for both individuals and the company of such involvement; and as regards the assessments that employees make of such structures.

Secondly, the previous experience of employees, particularly as this affects their comparative attitude to a Common Ownership structure, deserves further attention. This could have implications for the sort of employees a Common Ownership firm might hope to attract. And it might be that certain personality variables are associated with the different comparative attitudes.

Finally, and most importantly, it is clear that the dynamics of involvement in a Common Ownership firm must be examined much more closely. It is clear that employees may view their involvement in rather different ways and it is likely that such involvement may affect attitudes and future involvement in a number of ways. The factors that condition these different processes must be explored if the conditions for "successful" (i.e. satisfying or effective)
Some initial steps in this direction are made in the final section of this paper. Given the likely complexity of these processes and the difficulty of longitudinal studies, it is unlikely that a quantitative approach to these questions would be appropriate. But these issues are clearly crucial, both for an understanding of Common Ownership structures, and for the way the rapidly increasing number of such firms may be expected to function, especially since the results from Fairblow undermine the more simplistic elements in the views of some proponents of worker ownership, regarding the ways in which such structures may be beneficial.
6. SATISFACTION AND ATTITUDES REVISITED

The analysis in the preceding sections has been centrally concerned with participation in its various forms. The reason is that the Common Ownership framework provides some distinctive opportunities in this regard - and the supposed benefits of participation are currently a subject of some interest. In addition, many employees understood Common Ownership in terms of "having more of a say". However, it was pointed out in the first part of this paper that the managers of Fairblow were less inclined to emphasise the formal mechanisms of participation and gave more emphasis to a participatory management style. Moreover, the Fairblow sample produced their second highest average satisfaction score on the item concerning relations with respondents' supervisor or manager. It is therefore worth considering some possible effects of satisfaction with this aspect of work. In this case, the results must be even more cautiously interpreted: apart from the usual problems of assigning causality and interpreting associations in the absence of controls or longitudinal data, the comments that follow put a considerable weight on the responses to a single item. The reader may well take the view that the horse on which the analysis rides should be flogged no further. For what it is worth, however, this variable does relate rather strongly to some of the other variables of interest.

It should be noted, first of all, that respondents' satisfaction regarding relations with their supervisor or managers is not associated with either status or the type of work. Hence, the variable does not appear simply to reflect contextual factors associated with the sort of work performed. But respondents' satisfaction regarding relations with their supervisor or manager is clearly related to the scores for job satisfaction.
Given the discussion above, the latter relationship may simply indicate that good relations are associated with lower expectations.

\[
\begin{array}{c}
N = 79 \\
\text{SATISFACTION WITH SUPERVISOR HIGH (PROP} = .59) \\
\rightarrow \text{OVERALL JOB SATISFACTION HIGH (PROP} = .7) \\
K = .53
\end{array}
\]

\[
\begin{array}{c}
N = 72 \\
\text{SATISFACTION WITH SUPERVISOR HIGH (PROP} = .57) \\
\rightarrow \text{SATISFACTION WITH PARTICIPATING IN MANAGEMENT HIGH (PROP} = .54) \\
K = .39
\end{array}
\]

The supervisor satisfaction score is also related to the attitudes to management of respondents:

\[
\begin{array}{c}
N = 77 \\
\text{SATISFACTION WITH SUPERVISOR HIGH (PROP} = .59) \\
\rightarrow \text{"PRO-MANAGEMENT" (PROP} = .42) \\
K = .28
\end{array}
\]

It is tempting to conclude from this (as Fairblow's managers certainly would) that employees' satisfaction and positive attitudes to management (which were not, in fact, associated with participation) may have been promoted instead by the effort devoted to the promotion of good internal relationships.

But is it reasonable to contrast good relations between supervisors and those they supervise (or managers and those they manage) with other forms of participation? Is this not the principal way in which many employees become concerned about and involved in their company and influence decisions
that affect them beyond what is strictly required by their jobs? The answer is that the good relationship as such is hardly a form of participation; and if it were associated with a greater involvement in some other aspect of work or the company then this should be apparent. In fact, the scores on this item are associated neither with job nor social nor company participation (in the last case there is a slight relationship and it would appear to be negative). Hence there are no real grounds for considering that good relations between supervisors and those they supervise (or managers and those they manage) are really an indication of employee participation, as defined.

At this point it is worth reviewing the argument so far. One aim of the research was to consider the impact of Common Ownership on the satisfactions and attitudes of employees. Since Common Ownership involves some distinctive opportunities for participation, and since it has generally been held that participation is a source of satisfaction for employees and can lead to more positive attitudes, it made sense to examine whether participation was associated with greater satisfaction and "positive" attitudes to management at Fairblow. The results of this analysis were a curious mixture: on the one hand, satisfaction appeared high and the attitudes to management were comparatively appreciative. Moreover, those who viewed worker-management relations differently at Fairblow, compared with their previous employment, did seem more likely to become closely involved in company affairs. On the other hand, there was no real indication that such involvement accounted for the satisfaction with employment at Fairblow, and if participation in company affairs was weakly associated with positive attitudes to management, it was fairly certainly associated with negative attitudes. Above all it was clear that the introduction of Common Ownership had raised employees' expectations - to an extent that made any assessment of satisfaction with participating in management very dubious.
Hence, if one is to account for employees' positive attitudes towards Fairblow, it cannot be in terms of participation. As an alternative, the good internal relations, as reflected in the respondents' scores for satisfaction regarding relations with their supervisors or managers, appear far more promising.

But the question that remains is whether this has anything to do with Common Ownership. Do not the good internal relationships arise simply from a style of management that has deliberately been fostered at Fairblow - and that could equally well be promoted in a conventional company? This is not a question that can be answered by numbers, but it is a major issue in the final part of this monograph.
PART III : THE IMPACT OF COMMON OWNERSHIP

INTRODUCTION

This section attempts to trace and analyse the impact of the Common Ownership structure within the day-to-day activities of members. In what follows the impact of Common Ownership is considered in three stages. First, it is argued that a continuing process of adjustment and development has occurred since, and as a result of, the introduction of Common Ownership. Secondly, in the major part of this section, the impact of Common Ownership on the organisation at the time of the research is described, and this leads, through a discussion of some apparent tensions, to an analysis of some profound underlying problems that are posed by the ownership structure. It is argued that how these issues are resolved (or not, as the case may be) is likely to determine the character of the company as it evolves. Finally, there is an assessment of the impact of Common Ownership so far.

Given the nature of complex systems, it is not at all surprising that the impact of Common Ownership at Fairblow should, so far, be undramatic. When one element in a complex system is changed, there is a lag whilst other aspects of the system adjust to the innovation; even then the impact may be varied diffuse and unspectacular unless congruent developments arise in other areas to reinforce the original change. It may be that the conventional patterns of organisation are largely determined by the social and economic environment, and the system will adjust to a change in the ownership structure with a minimum of change in other spheres. Alternatively, the tensions generated by the change in ownership may eventually precipitate
further developments (perhaps in conjunction with other internal or external pressure) that lead gradually to a more thorough-going restructuring of the system - or to its failure and disintegration. However, the extent to which, and the conditions under which, Common Ownership can make an impression on the strongly inter-connected patterns of conventional company objectives, organisation and attitudes is certainly not a question that this investigation could resolve. The point is that gradual developments arising from Common Ownership continue to occur: the "final outcome", if there be such, is far from clear. That there are continuing developments is indicated in a number of ways. Firstly, reference has already been made to the disquiet expressed at senior levels, when the founder suggested he might "give the company away". The following excerpt from a board level memo, written by a senior director in late 1972 gives an indication of the severe misgivings that existed:

"It is, of course, profoundly disappointing to hear the views of the shop floor as expressed in the Consultative Group on the subject of profit sharing.

"If this is a sample of the disincentives which are likely to be applied to efficient and go-ahead management when the employees have an equal say, then I am certain that the company will not be successful nor have an efficient and go-ahead management very long.

"The views then expressed were pure unenlightened self-interest and when the more senior and more intelligent staff combine with the management to outvote the lower paid this will accentuate and not alleviate the "them" and "us" conflict already evident."
"It was also very clear that the elected representatives were in no way going to accept any responsibility for any action which might reflect adversely on any of their workmates no matter how inefficient.

"Transfer these attitudes into a Community with 100% shareholding: We would be much better as we are.

"I now learn that a garbled version of the Consultative Group Meeting has been circulating in the town!

"So much for a responsible attitude to confidential discussions on managerial matters".

Although some managers and directors still expressed misgivings as to where the experiment might ultimately lead, there were no longer any prophets of doom. Indeed, the author of the memo quoted was prepared to admit, like other managers, that whatever the problems, there were advantages to Common Ownership, and it could be made to work.

The shift in management attitudes is also revealed by the following incident: on one occasion a senior manager was furious to be asked his opinion regarding a proposal from the board, about which he had heard nothing. This situation arose when the Consultative Group acted earlier or quicker than the management group, as a channel of information. But most managers were comparatively unconcerned and many took it for granted that an erosion of the normal patterns of communication was inevitable in a company with their aims and constitution. In addition, interest in Common Ownership appeared to be increasing - copies of the production
director's DMS thesis on the subject were circulating amongst managers during the period of the research. And evidence has already been given that employees have become better informed about the constitution of the company.

The evolution of the Consultative Group over the period since the introduction of Common Ownership also indicates the gradual development of the representative procedures. Not only did management consider that as a result of Mr. G's leadership it was much more effective (it had developed a consistent posture with a right to prior information) but there had been a distinct increase in business understanding so that some representatives were able, for example, to explain "cash flow" problems to the few that did not understand the term. But probably the most significant change was the creation of the management group and its subsequent recognition as a channel for managers' views. This implies a more "pluralist" conception of the company from which Consultative Group members (arguably) stand to gain at least as much as managers. Finally, criticism of the constitution especially regarding the composition of the Council, was gathering strength. As indicated above, a move sponsored by the founder to increase the number of Consultative Group representatives on the Council failed to get the necessary 75% majority largely because it was not thought to go far enough. As the research ended, the first non-director to be Chairman of the Council was promoting a far more radical revision of the constitution which would abolish the directors' veto and end the fiction of managers being represented by the Consultative Group. Junior directors on the Council supported this move as the only way to establish the credibility of Common Ownership framework. The only senior director on the Council was not prepared to rupture the consensus of Council Meetings by opposing the amendments, though he was patently unenthusiastic.
It should be clear, therefore, that the description of organisation and attitudes that has been given in the preceding sections of the paper presents a single frame shot of a system that is developing and adjusting to a basic alteration in its own structure. There was no indication that this "stimulus" was spent
What analysis, then, can be offered of the impact of Common Ownership to date? The answer suggested is that Common Ownership has had a distinct impact on the climate of the organisation and partly as a result of this it has posed a number of problems. These problems are not acute but neither are there any obvious solutions.

To say that "Common Ownership has affected the 'Climate'" of the organisation is to say that it has changed "the way things are supposed to be". For to be a Common Ownership firm is, in the first place, to be different. And the ownership structure does not simply offer employees a place in some obscure constitutional process; it also insinuates certain ill-defined rights.

In theoretical terms, the Common Ownership structure ascribes a status to employees, as owners to whom management are ultimately responsible. Quite what the status involves in this context is obviously uncertain; a stable pattern of expectations has yet to emerge. Despite this uncertainty, the change has implications: for example, an authoritarian management style would generate enormous strain within the role-sets of managers.

* The term climate is notoriously hard to specify but is used to refer generally to a pattern of values and beliefs concerning an organisation, and affective states occurring in it, that are widely shared, recognised, and to some extent, acted upon. Like the original concept of alienation "organisational climate" is a general concept that assumes some correlation between objective and subjective factors and therefore faces similar operational difficulties since the objective and subjective aspects may diverge. Its value in explanations hinges on the relative stability of the features it refers to; hence it can be considered as mediating the perception and effects of other changes in the underlying structure and processes of the organisation.
and employees. And conversely a participative management style at least reduces this role strain. In practice the actual content of the role "employee-owner", as it develops, will arise from "negotiation" - perhaps in a literal as well as a sociological sense.

The point is that ownership is a strong word, even if its meaning in this context is unclear. And whatever is fairly generally accepted as an implication of Common Ownership is likely to be part of, and affect, the climate of the organisation. More specifically, the organisational climate at Fairblow now seems to incorporate the following two, rather general, concerns:

1. At Fairblow, the interests and concerns of employees are to be especially respected and treated as seriously as the situation allows - at least as much as in other "well managed" firms.

2. At Fairblow there is more ground for co-operation, therefore conflict is particularly inappropriate and should be avoided is possible.

It is suggested that these views are part of the climate of Fairblow because they appear to be widely taken-for-granted regarding what should, and what, to some extent does happen. This is not to deny that Common Ownership at Fairblow is understood and assessed rather differently by different people. Rather, these propositions represent a public consensus. They are the common denominator of views about Fairblow and Common Ownership - what nearly everyone in the company would readily assent to in a context including management and workers; and, indeed, what many
would also assent to privately as a simplified summary notwithstanding that in particular contexts many employees and managers would also suggest stronger or weaker, and above all, more complicated views of the implications of Common Ownership at Fairblow.

Since Fairblow has always been considered a "friendly" place to work, where people were "well treated", concerns not dissimilar to these must have permeated the outlook of staff long before the introduction of Common Ownership. But the earlier identity was clearly being eroded - the company was no longer small, the proportion of employees remembering the "pioneering days" was falling steadily, the junior directors were taking over from the men who built the company. Thus, Common Ownership was introduced when the atmosphere, and indeed the structure of the company were changing; in this context it provides a stronger rationale than could be provided by simple appeals to the past, for claiming the company is "special" and that to some extent things are, and should be, done differently. It is suggested, therefore, that the impact of Common Ownership at Fairblow has been one of preserving and strengthening features of the climate that might otherwise have fast disappeared. It should also be noted that this was one of the founder's main goals in introducing Common Ownership and to this extent his hopes have been realised. But, of course, it remains to be seen whether this will continue to be the case or whether, in due course, the climate and atmosphere of Fairblow will be marked by divisions - if, for example, some of the differences in interpretation of Common Ownership becomes sufficiently important and explicit to undermine the loose public consensus under which the company presently operates.
Some evidence of this change in organisational climate can be quickly reviewed.

The evidence has already been presented that for many employees, expectations of influence have been raised as a result of the introduction of Common Ownership. Whilst some are, to a degree, disillusioned, and have already reduced their expectations accordingly, this is largely a pragmatic acceptance of the existing situation and does not seem to involve a normative acceptance of their existing influence.

Evidence has also been given of the strong concern by managers to practise "participative management" and consult with employees or their representatives whenever they consider this practicable. Of course, Fairblow has always been managed "softly" so this is not something that has been "caused" by Common Ownership. But it does appear to be reinforced, as is borne out by some remarks of managers - for example "Common Ownership makes a good manager's job easier, and a bad manager's job more difficult". Evidence has also been presented of the desire to avoid conflict - the value placed on maintaining consensus in meetings, management's preference for suggestions and coaxing rather than strict instructions, and employees' emphatic rejection of Trade Unions at Fairblow.

The previous points are fairly directly linked to Common Ownership and the concept of organisational climate is not needed to account for them. To say only that the climate has changed in these respects would be simply a more tortuous way of saying that these aspects of the organisation have changed. But there are indications that Common Ownership has other indirect effects and to account for these the concept of climate seems useful. For example, the personnel manager described with some pride the amount of training that
the company undertook - a comprehensive programme that the Engineering Industries Training Board apparently considered more or less unique for a company of their size. Clearly, this programme has not been developed "because of Common Ownership" - nor did the personnel manager make any such claim. Rather, anything less comprehensive would have been at least a minor shortcoming in a management that felt obliged to aim for the highest standards in all such matters.

A further example is given by the occasion when the board proposed to the Consultative Group certain modifications to the rules concerning sick pay. As formulated in the early days of the company these were both generous and rather loose leaving some possible loopholes for unusual cases. The board's proposals were essentially a rationalisation of these rules, involving some reductions in what would be paid under particular circumstances. When the representatives met independently to discuss these proposals, there was a general feeling that they represented an encroachment on the privileges staff and employees had enjoyed; and they were, to some extent, typical of the changes that had been taking place in the company over the previous years and of the difference between the younger directors now running the company and the senior directors who had built the company up. The representatives therefore decided to oppose most of the suggestions, and indeed, were confident they would do so successfully. They prepared arguments to the effect that in many cases the savings would be trivial and the costs of administering them would be substantial. Moreover, they were prepared to argue that employees did not really want that sort of company, many valued the additional security highly and they were prepared to take a chance on a very occasional abuse of the rules. Prior to the Joint Meeting (of representatives and board) these views were conveyed to the personnel manager.
and hence to the board, as was the normal procedure before Joint Consultative Group meetings. As a result, the board withdrew the proposals entirely.

It is not possible to say that this outcome could never have happened but for Common Ownership; nor did the representatives in their own discussion make more than very passing references to the Fairblow Community and Common Ownership. Nevertheless, the strong impression remains that having gone to the trouble of preparing to the proposals, the board would have been much readier to press the issue and the representatives much less confident of success, were it not for the impact of Common Ownership on the climate of the organisation.

In this instance the organisational climate affected both a decision on fringe benefits and the way in which this decision was reached (disagreement was avoided). This impact on the way the Consultative Group works is perhaps the most important consequence of the distinctive climate at Fairblow. The Consultative Group is concerned with matters of direct concern to employees: these cover pay, fringe benefits, working conditions and the establishing and overseeing of grievance procedures. To this extent, the representatives work is no different from that of shop stewards. Indeed, the representatives often referred to what trade unionists in other companies were negotiating, as possibly appropriate requests to put to the board.

But here the similarity ends, because the representatives press their case in a rather different way. Instead of bargaining on the basis of a threat, implicit or explicit, of industrial action, the representatives operate on the board's sensitivity to criticism, their desire to be seen as upholding the ideals of the constitution and the
highest possible standards of management practice. This is sufficiently firm ground for the Consultative Group to operate with considerable effectiveness. But this way of working has major implications for those who, among employees, are likely to become "politically active" within the company.

Firstly, the company offers little scope for activist employees with a thoroughly oppositional attitude to management. Given the climate of Fairblow, there is little support for, and there are few issues that might unambiguously be seen as justifying, an oppositional stance - especially since the distribution of all surplus earnings as bonus precludes any simple definition of employees' interests. Two cases illustrate the point clearly:

Mr. B. is a skilled worker aged 56. He is a committed trade unionist and in previous employment was a "militant" shop steward and convenor. He refuses to take any part in Fairblow community politics (not even voting in elections or returning questionnaires) since, at his age and with his reputation, another job would be hard to find. In any case, the apathy of the workforce means there is little hope of the company becoming the trade unionist's dream which he feels it ought to be.
Mr. W. is a militant trade unionist who approximates the "troublemaker" stereotype. He was reckoned - even by those who admired the way he stuck to his principles - to be argumentative, cantankerous and unwilling to give and take. After a brief career as Consultative Group chairman, he resigned and was ultimately dismissed by the company for refusing to fill in time sheets on his work. Since everyone recognised these were for costing purposes and not a means of control, there was little sympathy or support beyond his immediate work area.

This was a traumatic experience for the management of Fairblow and considerable efforts were made to avoid the showdown. The only point really at issue was whether his inappropriate and isolated refusal to co-operate was sufficiently serious to warrant dismissal.

The sacking was upheld by the Consultative Group with only two dissenting votes, and Mr. W's appeal to an Industrial Tribunal was dismissed.*

* These events all happened before the research was conducted, but had become part of the folklore of the company. The account given above was constructed from numerous conversations with employees and managers.
Significantly, Mr. B came from Scotland and Mr. W from South Wales, areas with a very different labour traditions.

Secondly, the structure and climate of Fairblow provide an opportunity and justification for employees with a more favourable attitude to management to take an active part in company affairs—something that may not have been easy in their previous employment, if the opportunity existed at all. A number of examples are possible, but the two most important elected offices provide stark illustration.

Mr. G, the Consultative Group Chairman, had been a trade union member in a large unionised company in his principal previous employment; but he had never been active, and he lapsed his membership immediately upon leaving. His stance of "loyal" opposition, which some saw as "leaning towards management" has already been described.

Mr. C aged 36, had held a number of different jobs, including manual ones before joining Fairblow Dynamics and settling in a sales post. He had stood as a "moderate" candidate for shop steward, when a union member in a previous job. He was unsuccessful, strongly suspected the vote was rigged, and left the union in disgust. He was extremely active in the company and became the Community Council chairman. He pushed hard for democratisation of the Community, and the abolition of the directors' vote.
However, the fact that some "activists" at Fairblow have a comparatively positive attitude to management and that those with strongly oppositional views are not active, does not mean that the position of employees is weak. In the first place it is far from clear that the company would be unionised if it were still privately owned. Secondly, many representatives have attitudes that lie between those of the "militants" on the one hand and those of the "management orientated" on the other. It is certainly not suggested that only deferential employees are willing to be representatives. Finally, those with generally positive attitudes to management are certainly not uncritical; indeed, there may be a tendency for activists to become more critical of management as they become more involved in company affairs.* It is probably more accurate to say that the strengths of the Consultative Group are also its limitations - and both reflect the climate of Fairblow.
The representatives have become an effective watchdog over many matters of concern to employees, but their activities centre on the traditional largely defensive objectives of collective bargaining; they cannot go beyond the public consensus on which they typically argue their case. Thus, they have yet to take initiatives that go beyond the conventional concerns of employee representatives although, arguably, the structure of the company does present some scope for this (a point discussed further below). It may be, of course, that employees do not wish to pursue other than traditional concerns; the point is that if they did, it is not at all clear how they might do so within the present organisational climate.

* As an extreme case, the middle manager who resigned from the Council in a bitter and explicit protest at its inactivity, is one illustration of this - which also reinforces the previous point that an active oppositional role is untenable at Fairblow. If and when this "radicalisation" does occur, it presumably results from the frustration experienced by those with high expectations who see little result for their time and effort.
In summary, it has been argued that the introduction of Common Ownership has had a distinct impact on the organisational climate of Fairblow. It has done this by preserving and strengthening certain specific features of the climate that were being undermined and eroded by the growth of the company and the retirement of the founder. The climate, in turn, conditions a number of different aspects of the way the company works. Hence, the impact of Common Ownership to date is no less significant for being mostly subtle and diffuse. In addition, it should be noted that although this interpretation conflicts with employees frequent disclaimers that "it makes no difference here", it may be seen as confirmed by their replies to the questionnaire, in which Common Ownership was reported as benefitting many different aspects of the company, including some with no direct connection to the Common Ownership structure (see discussion on pages 72 - 73 above).
Although the suggested effect of Common Ownership on the climate of Fairblow would be considered beneficial by most employees and managers, it is also clear that certain problems have been produced by the introduction of Common Ownership. These appear in a number of different ways to members of the company but it will be suggested that they arise basically from two unresolved issues -

(i) What are the objectives of Fairblow, as a Common Ownership firm - and how can its performance be assessed.

(ii) What scope is there for democratic influence in a commercial organisation - and how can it be combined with the processes of commercial decision-making.

In the discussion that follows these issues are discussed in turn. In each case the discussion starts from the problems as they appear to those in the company. But it must be stressed that although these are discussed as problems, they are certainly not urgent or severe, from either management or employees' points of view. Members of the company who are interested in Common Ownership recognise that Fairblow is still coming to terms with its implications and that the representative procedures are still somewhat inadequate. But the company remains successful, it is a good place to work, and it is certainly not obvious what specific developments should be pushed - or that it is actually worth trying to do anything about them. Hence, the issues considered are the sort of chronic, low-grade problems that are intermittently considered and put aside. One can
always hope, quite reasonably, that things will improve as time goes on; if, instead, circumstances change and they become acute, then the issues may also be clearer and there may be more support for change.

However, as far as understanding this form of organisation is concerned, the problems are important. Arguably, they may become serious issues for the company in different circumstances - such as a period of financial difficulty. And even apart from this, the underlying problems may constitute the blocks to any further organisational developments.

The description and analysis already presented have frequently referred to the degree of disillusion, confusion and uncertainty expressed by many members of the company when discussing Common Ownership. Arguments about the policies and performance of the company were often conducted at cross-purposes. At one stage, shortly after the introduction of Common Ownership, it was suggested that the company should aim to maximise profits as a percentage of wages and salaries and there is no doubt that a large bonus is still a key objective - indeed, it appeared at times to have a symbolic status within the company.* But some members doubted that this should really be the aim of the company and nearly everyone doubted that this was all that Common Ownership meant. Some members deduced other objectives from Common

* One junior director recounted how he had once expressed concern to a senior colleague that dissatisfaction and poor working relations had become a serious problem in the company. The senior director told him not to worry: in a couple of weeks the bonus would be declared and all such problems would evaporate. According to the junior director, this is precisely what happened.
Ownership, either instead of, or as well as, maximizing the bonus. For example, several members claimed that it meant no redundancies, and cited the example of Scott Bader Ltd. Others thought that it meant reorganizations should be conducted with more respect for the people involved and less for minor cost reductions. Above all, there was uncertainty regarding the weight that should be given to employees and their representatives’ opinions.

In fact, Common Ownership does not "mean" anything in particular - and it could "mean" nothing at all, if members so chose. Which is why the goals and objectives of a Common Ownership firm are indeed profoundly problematical. Simplifying somewhat, conventional companies customarily pursue a goal of long term profit maximisation and the objectives at any point reflect both this and the specific circumstances in which a particular company finds itself. Such a structure of goals and objectives constitutes a comparatively straightforward discipline under which a performance can be assessed in a limited number of well-established ways. In contrast, a Common Ownership firm has the opportunity, within the constraint of long term economic viability, of choosing whatever goals it will and ordering them as it pleases. This is potentially a Pandora's box and even the masterfully condensed "Company Objective" (quoted on page 17 above) by no means exhausts the possibilities. Moreover, it is irrelevant that members of the company do not see the problem in these terms; the point is that more or less whatever the company does, it will be vulnerable to criticism in some other respect, or at least subject to doubts that perhaps Common Ownership really means something else, or more. The various hopes and ideals implicit in members' remarks, and the various elements in the "Company Objective" are potentially conflicting goals, which in most cases are difficult, if not impossible, to measure. Hence, even if an agreed order of priority were somehow to emerge, there would still be ample scope for uncertainty and dissection when it came to assessing performance.
These problems can be usefully illustrated by considering the issue of participation (or "having a say"). Many members implied that for them the mark of a "true" Common Ownership firm would be a degree of employee influence significantly higher than is found in conventional companies. One way of achieving this would be through a gradual reorganisation of production on the basis of autonomous work groups, possibly in the case of fans with "group technology". Given also that many employees were dissatisfied with the intrinsic aspects of their work, such a change would be a significant embodiment of the company's ideals. However attractive this might appear, it is not difficult to see why such a policy is most unlikely to be implemented.* The cost to the company of additional training and tools would be substantial. And it is not clear that this would be offset by financial gains: absenteeism, turnover, quality and work flow/line balancing, are not problems at Fairblow, so it is unlikely that significant savings would emerge in these areas. Hence, one could only hope for significant productivity increases if employees worked faster when they enjoy more variety and discretion in their tasks and a greater control over the pace of work. If this did occur, the productivity increases would have to be very substantial to offset the costs. In addition, it is likely that some of Fairblow's older employees would be reluctant to undertake further training and responsibility, and the company would have the problems of finding useful roles for the supervisors once the changes were completed. In short, an attempt to extend participation at this level might well be costly in financial terms and traumatic in organisational terms. Even if the changes were introduced very gradually and ultimately a majority of the company was affected and approved of them, they would initially use part of everyone's bonus - including those who did not stand to

* The question of job enrichment has already been considered by a sub-committee of the Management Group, and quietly rejected.
gain. Hence, in this form the extension of participation is an objective that might well appeal to some members of the company but that in all likelihood would be strongly resisted by others.

Moreover, these difficulties arise simply from probable differences over how strenuously the goal of participation should be pursued; the discussion assumed some measure of agreement on what would constitute participation and its desirability. In fact, such agreement may be unlikely: although there was general agreement that the representative procedures should be "strengthened", this appears (not surprisingly) to have meant different things to different people. Nor may such differences only occur between managers and employees: among employees with an interest in Common Ownership there appear to be substantial differences over the sorts of issues and the ways of handling them, that would constitute "really" having a say (such differences are not surprising in the light of the relationship between attitudes and participation suggested by the statistical analysis).

Hence, even if the active members of Fairblow are agreed that the company should aim to promote participation, it may be very difficult to reach agreement on how far this should be pursued, how it should be embodied, and on whether the policy is succeeding.

In a sense, these points are elementary; in industrial relations, it is taken for granted that those involved have very different points of view - otherwise there would be no problem. But the unsurprising fact that beneath Fairblow's loose public consensus there remain substantial differences,
is not trivial. At present these differences can remain submerged since the system does deliver many of the desired goods - principally in the form of regular (and sometimes substantial) bonuses. But every company has its ups and downs, eventually. So the effects of a difficult financial position deserve a moment's speculation. It is of course possible that members would accept conventional remedies as the surest way of regaining their bonus. But it is also possible that financial restrictions will raise questions regarding social equity in remuneration, the level of fringe benefits, and the importance of preserving jobs; and that unpopular decisions will provoke demands for "more say" - to name a few contentious issues in which the significance and presumed implications of Common Ownership are likely to be important elements. In short, the consensus by which the company currently operates would be severely strained.

This suggests that such a situation would require the significance of Common Ownership, and the ordering of competing priorities to be tackled more explicitly.

In summary, therefore, the introduction of Common Ownership allows members to attribute a wide range of objectives to the company, in the belief that they are appropriate, or even necessary for "true" Common Ownership. Since no firm can hope to satisfy vague and conflicting expectations, some disillusion and uncertainty has resulted. It can be expected that this confusion will be particularly marked in the early years of a Common Ownership company, and to this extent it may be considered a temporary phenomenon that will fade in time as a more stable and coherent pattern of expectations develops. On the other hand, it was suggested that these issues might flare up rather more fiercely should Fairblow face difficult economic circumstances.
The second issue posed by the introduction of Common Ownership concerns the development of effective forms of participation. The constitution of Fairblow promises an organisational democracy; but it does not (and, indeed, could not) offer a solution to the problems of achieving this in day-to-day practice. These problems are best considered in terms of the structures and processes that embody participation at Fairblow and the ways in which these currently appear unsatisfactory to members of the company. In analysing them the problems are usefully viewed as one concerning the scope of the two control systems - the representative procedures on the one hand and the conventional hierarchy on the other - and, crucially, the uneasy relationship between them.

The failure (in the eyes of many employees and managers) of the Community Council to establish any role beyond that of a very passive supervisory board has already been mentioned. The directors were well aware that many employees consider the Council a meaningless charade and this was of some concern to them. In response, their reports to Council meetings were carefully prepared to include explanations of basic elements of business practice and the business world, in the hope that eventually more substantive questions could be discussed in meetings. Likewise, some directors supported the constitutional amendments (mentioned above) in the hope that the abolition of the directors veto and a more directly representative Council would increase employees' confidence in the system. On the other hand, the reluctance of the directors to bring major policy options to the Council for discussion is based on the belief that doing so would not benefit, and might well harm, the board's capacity to direct the commercial affairs of the company.
These points demonstrate the interdependence and tension between the two systems of control. The one requires and inhibits the other. To legitimate the structure (and their own position in it) the directors require representative procedures that have a more demonstrable impact. But such an impact may reduce their own capacity to control and direct the company in a changing environment.

It could be argued that this is a problem of transition: the constitution was more or less handed down to employees and arguably it will not really be accepted until it has been amended a few times. Likewise, as business understanding increases among employee representatives and as expectations become more sober the Council may become an effective Supervisory Board. There is doubtless some truth in this but the tension between the two control systems appears in many other ways, some obvious (such as employees' concern that by "speaking up" they would damage their prospects in the company) and others less so.

One such problem concerns the danger of representative procedures only operating effectively at lower levels and thus simply bolstering the system of managerial control. The starkest illustration of this was the suggestion by a few managers that there should be participation in the setting of pay differentials, within a department or section. In other words, employees at a particular level would make merit assessments on each other. The form on which merit assessments are recorded has six criteria on which people are ranked: quantity of work, knowledge, quality of work, conduct, initiative, and general attitude. The last of these is explained as follows:

"Consider character co-operation and attitudes to the job, associates, supervision, and the company. Flexibility."
Clearly the assessment reflects managerial concerns, some of which might not be shared by employees. As it stands, participation in merit assessments would require employees to adopt the point of view of managers regarding the primacy of certain goals and the importance of certain conditions in achieving them. It seems fair to say that this would reinforce the system of managerial control at the expense of other objectives and other (more egalitarian) ways of achieving the desired integration and performance.

However, it is doubtful that this suggestion could be introduced since many employees resent the merit procedure as it stands and would, in all likelihood, refuse any involvement in making assessments. But the same issue of the possible absorption democratic mechanisms arises over the role of representatives. It has already been mentioned that some managers complained about Consultative Group or Council representatives refusing to take responsibility for difficult and unpopular decisions. The representatives, of course, saw things differently. For example, when they were meeting separately to discuss redundancy policy, one representative complained that the board liked to involve them in this sort of decision "so that they can hold it against us later". Not everyone agreed with him, but those that did evidently felt that the Board liked to wheel in the Consultative Group to help with any "dirty work". Since the representatives would have little control over the events leading to such problems, and since they would not really be in much of a position to decide whether there really was "no alternative", the board was effectively offering them responsibility without power. Whether or not such situations constitute an absorption of the democratic mechanisms within the system of managerial control, it is clear that the two processes coexist uneasily.
In all the difficulties mentioned, the inequalities of power, in its various dimensions (information, expertise, social skills, status, the capacity to reward and punish, organisation and coherence, etc) that are fundamental to hierarchical authority systems, and the distrust such systems characteristically generate, reduce or undermine the influence of the representative procedures.

But even these inequalities of power are not the whole of the problem - or alternatively, even in the event of these inequalities somehow being drastically reduced, certain substantial problems would remain. The board's decisions, following a questionnaire survey of opinion, to introduce a compromise system of bonus distribution ("Owing to the size of the minority") and the anger this aroused, have already been described. On this occasion, the procedure was completely unclear: employees, including many managers, referred to the questionnaire survey as a referendum - and their anger at seeing the results overturned is therefore understandable. The board, however, considered the survey simply as a more thorough means of consultation, and in this light their decision in equally understandable. Minorities have always been a problem for democracies and in choosing a compromise they were plausibly choosing the most widely acceptable option.

But this poses a further question: who should decide how such a decision is made? At present, the Board of Directors decides, but without any explicit rationale. This confusion is particularly apparent within the Joint Consultative Group, where there is no clear distinction between consultation and joint decision-making.* In theory, joint consultation, authority remains with whoever is normally responsible; in joint decision-making, each side has a veto.
decision-making occurs only in cases of contested dismissal; since a majority vote is required, the representatives have a collective veto. But otherwise there is no voting, which suggests consultation. However, it was also claimed that there is no voting because the Joint Consultative Group operates on the basis of consensus decisions. This is true in a sense, but interpreted strictly, it would give the representatives more power on other issues. In fact, of course, there are some issues on which the board is prepared to continue talking until everyone is agreed and others where nothing more than minor consultation occurs. The result is that the representatives are never sure quite how seriously they are going to be taken - there was some disbelief, for example, when the board accepted their proposals on redundancy; it was not the sort of issue on which the representatives had expected to be influential. If one asks "who benefits?" from this state of affairs, the answer is obviously the board, who can decide in the light of the representatives reactions whether they will risk being mildly constrained by the representatives or not.

But, as an explanation, this is incomplete, since if it were to try to do otherwise the board would face a real difficulty. Decisions are multidimensional and do not divide neatly into separate categories, each suiting a particular form of participation. Distinctions between commercial decisions and community decisions, or between policy and implementation, or between matters of major concern to employees and others, are extremely difficult to maintain in practice. Hence the scope of the two control systems must inevitably remain blurred, and even if employees and their representatives were well organised, well informed and articulate, this aspect of the problem would remain. Indeed, in such circumstances, it might very well become acute. Currently, the business experience and expertise of the board is accepted by representatives - pragmatically and often with misgivings -
as distinguishing the decisions they will press hard on (and expect to be taken seriously on) from those over which less influence is sought or expected. If the comparative expertise of the board were significantly reduced (or even thought to be), then an explicit attempt to redefine the scope of the two systems would be vital. Otherwise any matter that affected employees, in the short or long term, would require a major exercise in participation.

This most emphatically, is not to argue that such a strengthening of the representatives position is undesirable. It is simply to agree with the employees at Fairblow when they say "everyone cannot decide everything"* and that therefore some agreed demarcation between the two systems is necessary. But even given a high level of trust the tangled and slippery nature of managerial decisions would make any such demarcation difficult - and probably contentious.

This is a general point of some importance and worth illustrating further, since little attention has been paid to the nature of "management" in which it is often proposed employees should participate. A major policy issue facing Fairblow concerns whether and how the company should expand. This decision will involve many considerations: several new products are being developed, the current office and factory space is fairly well filled and there is the prospect of at least some kind of general economic recovery. In addition, the current premises are two factories and this physical separation is obviously inconvenient. On the other hand, many employees - including managers - regret the increasing scale of operations and a decentralisation of the

* Unless members of the company are prepared to devote a very large amount of time to participatory decision-making. Since Fairblow's competitors will not be behaving in the same way, this would mean employees valuing such participation very highly - and being prepared to sacrifice at least their bonus.
of the company into three partially autonomous divisions (Instruments, Fans and Domestic Products) has been suggested as a way round this. Thus, the board may have to decide in the next few years whether to buy one larger factory to house the company, to buy another small factory for one of the divisions, or to invest in expensive extensions and space saving storage equipment as a possibly temporary measure. And there are probably other alternatives still. Nor is a decision not to grow an easy answer. The fluctuations in the national economy lead to fluctuations in the labour the company requires. To some extent, these fluctuations can be met by natural wastage, the retirement of over sixty-five's and the bringing-in of sub-contracted work; but the pressure to avoid redundancies can best be met by the successful introduction of new products. However, such a policy results in growth during periods of economic expansion. In addition, it is arguable that managers have a definite interest in expansion: if their departments and responsibilities expand as a result, not only will their salaries increase, but their career prospects, if they move, will be improved. In contrast, the "going rate" for a press operator is the same regardless of company size.

Quite clearly, the problems of whether, how, and where, to expand is one that affects the interests of employees both indirectly - through the commercial viability of the company - and directly, in that it may determine through the size of the company, the sort of relations they have at work and the variety in the job they do, quite apart from the convenience of travel to work and similar considerations. And equally clearly there is no single clear cut issue, nor a straightforward choice between discrete policy options for employees to debate and choose between. It is a "mess" rather than a problem. Nor is there any clear cut point at which "the issue" must be settled. "It" has been around for some time, and could be postponed if need be. The very nature of the problem may change drastically in a short
space of time, and what seemed like a realistic option a few months before may become impossible, whilst last month's dilemma may be irrelevant as circumstances change. For example, a particularly successful product may make better space utilisation on the current sites quite inadequate, or a suitably located factory of appropriate size may come on the market. One way to understand this point is to take a managerial decision after it has been made, and then try to work out when, in fact, the decision was really reached. It may be possible to pinpoint a particular time when one option was chosen from among others, but it is just as likely that the decision was really an "inevitable" consequence of prior decisions (though this was not realised at the time) or that the decision was made by default of other options (when did they default?) or even that those concerned were not at any point aware of reaching a decision - it was gradually assumed that a particular course of action should be followed.

But if managerial decision-making is a continuous stream with many complex currents, how can anyone know - directors, let alone employees - the appropriate stage for employee participation?

Of course the Community Council could exert pressure on the board by issuing guidelines and asking the directors to account for their decisions in terms of them. But unless such guidelines are dangerously restrictive, they will inevitably allow numerous different interpretations and emphases. Those - in this case the board of directors - who interpret the guidelines, assess the particular circumstances and weigh the conflicting values, will still have effective power. And even if employee representatives possessed a large enough measure of the expertise experience and specific information to ensure the guidelines were fully respected, the continuously shifting nature of such decision-making would mean
a substantial amount of the representatives' time would be taken up (given the risk of one or two representatives losing contact with their workmates or colleagues and uncritically absorbing a managerial perspective - the usual problem with worker directors - there would ideally be a number of representatives involved, or at least different representatives involved in different issues).

This is not to imply that many of the strategic company decisions, which a Community Council might consider, would involve a clear clash of interests between the "top" and "bottom" of the company. As in this case the issues will normally be far more complex with interests both converging and diverging. Moreover, unanimity among employees is unlikely (it is rare enough on a board of directors). Finally, attributing "interests" to different groups is far from straightforward: for example, to the extent that managers absorb an ideology of partnership and participation they may promote policies that would otherwise plausibly be considered "against their interests". On the other hand, all these difficulties scarcely justify ignoring the question of interests altogether, so it is not unreasonable to consider what would be required for the system of democratic control to operate at this level. And the point is that for many complex and important issues there can be no neat interface of the two control systems; a considerable overlap seems to be required. To make this effective would probably still be difficult and it would certainly be costly.

Again, it can very well be argued that many of the problems mentioned are hypothetical and the preceding discussion grossly exaggerates the difficulties. Such as they are, these arise essentially from the transition to Common Ownership. Gross misunderstandings, as occurred over the bonus "referendum", can be avoided in the future while "custom and practice" establish tacit distinctions between
different sorts of decisions and the extent of employee influence upon them. And despite the difficulties described, the outlines of a workable system are clear: the council, in due course, will function as a Supervisory Board, influencing matters of general policy; while the Consultative Group deals with day-to-day affairs with purely consultative status on many matters but with an effective veto on matters of central concern to employees (such as dismissal and redundancy). In any case, whatever level of employee influence is thought appropriate "good management practice" is generally a more or less acceptable basis for decisions. In addition, this also provides a fairly powerful lever for employees that offsets the imbalance of power in other respects. Hence, the basis for durable patterns of relationships is clear.

This view may well be correct and the tensions between the two systems of control may gradually fade - though this still leaves open what happens in a period of financial difficulty, when "good management practice" might appear too costly and existing "case-law" irrelevant.

However, even under the present arrangements, there is another important aspect of the relationship between the two systems of control that makes it doubtful that they will "settle down" in the way suggested. This aspect is the pre-empting of one control system by the other: management anticipate pressure that might be applied through the representative procedures.

Before examining the reasons for and significance of this, some examples must be reviewed. In describing the way the Consultative Group worked the role of Mr. G was emphasised (page 27 above). In particular, the extent to which he was consulted in advance about anything potentially controversial ensured that the board could modify their proposals or.
announcements, to take account of the likely reaction. More specifically, the withdrawal of the proposed changes regarding sick pay before they appeared on the official agenda, illustrates the same point. And mention has already been made of the considerable efforts the company undertook at a time of some financial uncertainty to avoid a redundancy by creating another job. On this occasion (as indicated) the support of "soft" interpreters of Common Ownership among the senior managers was important. But Mr. G was at least as important by indicating that if the company went ahead with the redundancy, the Consultative Group representatives would be obliged to fight the issue.

The reasons for this pattern are very obvious: not only can it be considered part of "good communication" but the anticipation of employees' and representatives' reactions is a way of minimising conflict. It reduces the chances of disagreement in meetings and thus prevents situations arising in which the board might appear as making proposals that neglected or ignored the concerns of employees. The Board and managers clearly hoped and expected that by acting in this way they would increase employees' confidence both in them personally and in Common Ownership structure.

In fact, the consequences of this pattern appear to be exactly the opposite of these hopes. By pre-empting their criticism and opposition, there is nothing for the representatives to be seen doing. In the case of the changes concerning sick pay, nothing appeared on the notice boards on agendas or minutes; in the case of the threatened redundancy, it is not clear that even Mr. G - let alone his fellow representatives - appreciated the influence that had been wielded. Like so many personnel or grievance issues, this remained confidential and the only announcement made concerned the transfer of the individual concerned to his new post. The effect of the many day-to-day consultations between Mr. G
and senior management was to make his work mates wonder whose side he was really on.*

The point is that power and influence are seldom obvious, and then almost always in an open conflict. Because the board's proposals generally go to the limits of "good management", and in any case, take account of employee reactions in advance, it is very rare for them to be modified or rejected. The representatives have the choice of accepting them as they stand, or trying to modify carefully worked out (and, as regards fringe benefits, typically generous) proposals that the board is unwilling to reconsider because they are the most they feel able to offer. Not surprisingly, the result is usually no more than token resistance, in the rare event of a clear conflict emerging, the representatives are still unlikely to exact major concessions. Hence, the representatives' influence - which is nonetheless real for being limited in scope - remain invisible, even to most of the representatives. Indeed, probably only Mr. G was aware of the full extent to which management took account of employees' views, since only he would see the difference that resulted when, from time to time, he would shake his head and tell the manager or director seeking his opinion:

"The lads won't like that."

It is not surprising, therefore, that when employees were asked their opinions of the Consultative Group in unstructured interviews or conversations, several replied with the question:

"What has it achieved?"

* A short time after the research ended, the elections for representatives were held; Mr. G was not re-elected.
When the question was returned and tried on some other employees, only two examples were cited as definite achievements. The first was the representatives' success in persuading the board to hold the "referendum" on bonus distribution (already referred to) and through this in getting some of the bonus distributed on a flat-rate basis. Since this was a compromise solution, the achievement was thought to be limited. The second instance - which had taken several meetings to resolve - concerned the payment of "merit money" in a department where a new manager had been appointed. The new manager refused to award "merit money" until he had worked long enough to assess his staff; the staff - and representatives - insisted that the money should be paid, on the basis of previous assessments, if need be. The board finally agreed and instructed the manager to make awards. This was scarcely a major issue - indeed, one representative described the entire disagreement as "silly".

It is suggested, therefore, that by pre-empting the role of the representative procedures, the management of Fairblow make the representatives' influence invisible and prevent any widespread confidence in those procedures developing.* Since this pre-empting springs largely from a desire to avoid conflict, that is also firmly embedded in the climate of the organisation, there is no straightforward way round the problem.

* It is also worth mentioning that what has been described as the pre-empting of the representative system could also be viewed from the opposite point of view as an inhibiting of the managerial system by the representative procedures. This appeared to be the view of a couple of senior members of the company who believed that too much time was spent asking other people their opinions of other peoples' opinions about possible decisions. One senior manager who had come to Fairblow from a larger company expressed the view that Fairblow might be better off with a "good trade union organisation". But in the nature of the case, it was impossible to assess whether, or to what extent, the management of the company was impaired in the way suggested.
In summary, therefore, it has been argued that the various deficiencies in the existing representative procedures (as perceived by members of the company) point towards some rather thorny problems. These concern establishing a basis for legitimacy, dependence on expertise, and the relationship between the "executive" and those on whose behalf they act.

These problems are familiar in a political context, but much less so in this form, in the industrial sphere. Moreover, in Industry there is nothing like the large area of private and social activity that can continue relatively independently of the political system. Instead, employee behaviour is far more closely circumscribed by managerial controls and thus the issues described are likely to be far more pressing.

Although, to some extent, there may be problems of transition that will fade in time, there are grounds for believing that they will remain to haunt the company. In particular, the fact that employee influence remains largely invisible means that there is considerable disillusion and a sense of powerlessness regarding the existing procedures. How these problems can be tackled is not obvious, but there would clearly be profound implications for the company in any attempt to confront them.
Any assessments of the development of Common Ownership at Fairblow obviously depends on the point of view chosen. Since people are interested in worker ownership for a variety of reasons, a number of different criteria must be used. The following list is not exhaustive, but it covers the main reasons usually advanced and those on which the study has some bearing.

(i) Survival;
(ii) The Founder's Goals;
(iii) Participation and the Quality of Working Life;
(iv) Sustaining Managerial Authority;
(v) Worker's Control/Worker's Self-Management;
(vi) A Community of Work.

(i) Survival.

Although the research was not really concerned with the commercial situation of the company, there is no question that by this rather basic and limited criterion, Common Ownership has succeeded.* In financial terms, and in the short to medium term at least, a company may continue to operate very successfully after transferring to Common Ownership.

* Since reference has been made earlier to minor financial restrictions, it is worth mentioning that while this report was being written, the company paid a record bonus, reflecting an extremely prosperous trading period.
(ii) The Founder's Goals

As had already been pointed out, the founder was concerned primarily with preserving the character of Fairblow. He had built up a successful company marked by informal and harmonious relations and he did not want to see that spirit destroyed either by a management preoccupied with profits or by divisive trade unionism. Common Ownership was intended simply as a way of providing protection against takeovers and as a framework for dealing responsibly with conflicts and problems by making members responsible to each other and by increasing everyone's stake in the success of the enterprise. It was not intended to be a radical departure aimed at transforming the consciousness of members and building a new world; but simply as a sensible and morally proper arrangement.

From this point of view also, Common Ownership at Fairblow must be considered, so far, to be a success. Although there may be difficult issues still to face, it was argued earlier that an important impact has indeed been to preserve the character of the company.

(iii) Participation and the Quality of Working Life

Fairblow clearly provides a number of opportunities for involvement in company affairs and social activities beyond what is required of employees to fulfill their job descriptions. Many of these pre-existed the introduction of Common Ownership and have no necessary connection with it. Nevertheless, they are highly consonant with the ideals the constitution aimed to embody and though they do not appear to be of great importance they may still be a source of some satisfaction for a number of employees. In addition, by helping to preserve a friendly atmosphere, job security and the bonus, Common Ownership clearly connects with some central employee concerns. Because these benefits pre-dated the introduction of Common
Ownership they may, to some extent, be taken for granted. However, the picture is complicated by two considerations. First, to the extent that expectations have been raised by the introduction of Common Ownership, it is difficult to interpret expressions of satisfaction and dissatisfaction. Hence, although a measure of disillusion is fairly widespread, its significance in this respect is debatable. Secondly, on this criteria, the comparatively low satisfaction expressed towards the intrinsic aspects of work at Fairblow is significant. Common Ownership has so far had little positive effect on the employees immediate work experience, which, it is often argued, must be the starting point for any significant improvements in the quality of working life. Fairblow's definite strengths and equally definite limitations in this regard have been discussed at some length earlier and there is no need to repeat the analysis. The point is that for all the technical and organisational problems involved, this is arguably an area of fundamental importance that remains largely unaffected by Common Ownership. Hence, as regards participation and the quality of working life, the assessment must be that, so far, Common Ownership's impact at Fairblow, though unquestionably positive overall, remains limited.

(iv) Sustaining Managerial Authority

It is increasingly argued that industrial democracy, and worker ownership in particular, now provide the only secure basis for managerial authority. Since the management of Fairblow has never faced any sustained or generalised challenge to its authority - nor, indeed, has the company faced circumstances in which this would be at all likely to occur - either before or since the introduction of Common Ownership, it is not really possible to assess Common
Ownership at Fairblow on this criteria. Hence, some comments are possible. First although some managers were disappointed that Common Ownership had little impact as a "motivator", this is not really surprising since it has little direct impact on employees. Hence, judged as a form of incentive scheme aiming to tie individual employee behaviour and performance to specific management objectives, Common Ownership is largely ineffective. But this is a very narrow view and the question remains whether Common Ownership may not reduce opposition to management in more general terms. In this respect, it is significant that Common Ownership at Fairblow may very well have inhibited unionisation - "You can't negotiate with yourselves". But for reasons already presented, it would be too simple to assume from this that employees are less organised and less capable of mounting what, in the circumstances, may be effective resistance. One can say that managerial authority is more or less complete at Fairblow within limits and so long as it is exercised in a particular way; but it must remain a matter of opinion whether this constitutes a net strengthening or a net weakening of management's position compared with what the situation might be in the absence of Common Ownership.

(v) Workers' Control/Workers' Self-Management.

Since it is not very clear what would constitute an embodiment of these ideals, it is difficult to say whether any significant progress has been made towards them. Of course, if it is taken that workers' control implies and requires that employees view their relationship with management in a consistently oppositional framework, then Common Ownership at Fairblow shows little sign of succeeding. But on such an interpretation, workers' control only looks at all likely in much larger companies.
And even then it is not clear that the differences of interest between those in managerial and non-managerial positions will always - or even normally - be the primary consideration in issues that affect employees. This is not to suggest that such differences become insignificant within a Common Ownership framework; it simply follows from the fact that a Common Ownership firm pursuing a wider range of objectives will have more potential divisions regarding those objectives, some of which are likely to cut across the divisions between management and employees.

On a less strict interpretation, the difficulty lies in estimating what constitutes a realistic level of employee influence, as a yardstick for a company in the social and economic environment of Fairblow. Presumably a well informed and fairly active Supervisory Board would be the minimum necessary for success under this criteria, so the failure of the Council to develop in this way would be disappointing, from this point of view. But given the difficulties in developing significant employee influence at this level, one could reasonably argue that two and a half years is not a long time and that the important point is that there are gradual developments towards more effective employee representation. Obviously, an assessment must wait until it is clear whether the changes that have taken place so far are just the beginning of the development of Common Ownership or instead nearly all of that process.

(vi) A "Community of Work".

Not surprisingly, Fairblow shows little sign of becoming a "Community of Work". The members do not share a common religious or ideological conviction, and the company is far larger than other experiments of this sort. Nevertheless, Common Ownership at Fairblow may not be entirely without
interest for those with this perspective: it may be that in
due course a "Community" - or communities - will develop
within the Fairblow Community as a whole. These would be
entirely informal groupings and very much a minority of the
company, but their basis would be the shared experience of
those members who have worked closely together over a number
of years on various committees and organising bodies. Some
indication of this possibility was revealed by some scattered
remarks about outside-work social contact*. For example,
the Chairman of the Consultative Group and the Chairman of
the Management Group, lived opposite each other. Even when
their respective roles put them at loggerheads, they
maintained cordial relationships, and their wives were close
friends. Other "activists" from different areas of the
company would go to football matches together. And the
maintenance department, already referred to as being
particularly close knit, helped each other with home
improvements and the like, and arranged their own annual
evening out with their wives. It is not possible to say
whether such contacts are more common at Fairblow than in
other similar companies, but even if they are not, it is
still possible that their significance may change in the
context of shared involvement over a number of years in
many other company-related activities associated with the
Common Ownership framework.

In conclusion, it should be clear that Common Ownership
at Fairblow does not "solve" the problems of industrial
democracy as much as throw them into sharp focus. And
it highlights not only the organisational difficulties
of achieving systems of control responsive to internal

* In retrospect, it was a mistake not to have
investigated this aspect of social contact more
thoroughly.
as well as external demands, but also the intimately related and very basic questions regarding the purposes of work and what people want from it. Common Ownership is not just about how members may best pursue their wants in a representative structure; it also involves members confronting the issue of what it is they really want. In day-to-day terms, such questions may very well be a costly luxury, or simply a nuisance. And, of course, the choices involved will never be "unbiased"; any social context loads our choices towards the given. But Common Ownership means that, for better or worse, issues such as these will always be on the company's "agenda". However often they are passed over or ignored, they can never be ruled out of order if a group of members is determined to raise them.
INTRODUCTION

The survey was conducted from 14th-30th January, 1976, by a total of five members of the Open University Systems Group: Mr. R.C.F. Paton, Mr. M. Lockett, Mr. B. Drozdowskij, Mr. E. Taylor and Mr. R. Williams. All interviews took place in company time. It was stressed that participation in the survey was entirely voluntary; that all replies were in confidence; that the results would be available to all Fairblow employees through the report to the Fairblow Community; and that no individual would be identifiable in the published results. Out of a sample (see below) of 85, six people did not wish to take part - a response rate of 93%. Interviews took from twenty to forty-five minutes to complete.

METHODOLOGY

(a) The Sample

The sample of 85 was 50% of Fairblow's workforce, excluding senior managers and directors. The sample selection was random - taking every other name off an approximately alphabetical staff list. The one conceivable systematic error in this process would be an under-sampling of employees related to each other. In view of the small number of related people in the company (a total of two related pairs), this was assumed to be a negligible factor.
(b) The Questionnaire

The questionnaire consisted of seven sections:

(i) Background data;
(ii) Employment History;
(iii) Company Participation;
(iv) Social Participation;
(v) Job Satisfaction;
(vi) Job Participation;
(vii) Attitudes.

(i) Background data: This consisted of the respondent's name (which was replaced by a code number in all further analysis), age, years of service, job title and "job classification". All these were obtained from company records.

(ii) Employment history: Respondents were asked about previous job(s), reasons for leaving, trade union membership and involvement in union affairs.

(iii) Company Participation: This consisted of questions on attitudes to Common Ownership, as well as the respondent's involvement in and knowledge of the Common Ownership structure at Fairblow.

(iv) Social Participation: Respondents were asked about their involvement in the company's Sport and Social Club, as well as other social activity within the company.
(v) Job Satisfaction: Respondents were asked to rate their overall job satisfaction and their satisfaction with nineteen aspects of their job. These were identical to the 1974 "Quality of Life" Survey, except that a twentieth aspect ("the actual work itself") was dropped from the survey as it appeared to be correlated very highly to overall job satisfaction, rather than being a separate "job aspect". If there were other aspects the respondent felt were important they were invited to state their level of satisfaction. An eleven point (0 ➔10) scale, ranging from "dissatisfied" to "satisfied" was used for the job satisfaction items.

Respondents were then asked to rate the importance of these nineteen job aspects to their job satisfaction, on a similar eleven point scale from "unimportant" to "important"; and also which three of these job aspects, if any, were most benefited and which three, if any, most damaged by the company being "commonly owned".

The importance of job aspects to satisfaction was a development of the methods used in the "Quality of Life" survey, where respondents were only asked which three job aspects were most important. This was planned in consultation with Ms. C. Marsh, then of the SSRC Survey Unit.

(vi) Job Participation: Respondents were asked how much autonomy they felt there was in their jobs; the predictability of the job; how often they would sort problems, ideas, or questions, about their work themselves or with the people they worked with; how often they would take such problems, ideas or questions to their supervisor; and what happened when problems, ideas or questions were taken to their supervisor.
(vii) **Attitudes:** Finally, respondents were asked how much they agreed or disagreed with nine statements about the company, and relations within it, using a five point scale. They were then asked how much they agreed or disagreed with the same nine statements for their previous job, if any.

A copy of the questionnaire is given at the end of the Appendix.

(c) **Behavioural Indicators**

These were largely obtained from various company records and documents. They comprised items relating to participation, e.g. the suggestions scheme, dinner/dance attendance, etc., as described in the appropriate sections of Part I.

(d) **Comparison with other Surveys**

Some of the results would be most useful in the context of a comparison with other people in non-common ownership enterprises. It was hoped that other local manufacturing firms would co-operate in allowing access for a shorter questionnaire on job satisfaction and attitudes amongst some of their employees. In the event, it proved impossible to gain access to enough fairly similar companies to make this worth while (it was held that a comparison with employees in just one other company would be of very little value).

However, some of the Fairblow results, those on job satisfaction, can be compared with the "Quality of Life" Survey. Such a comparison must be approached with great caution as:

(i) The "Quality of Life" fieldwork was conducted about two years before the research at Fairblow in a somewhat different economic climate;

(ii) Interviews were done away from work at respondents' homes;
(iii) The sample is scattered geographically, as well as between different industries. The sample size for the "Quality of Life" was just under six hundred.
SURVEY RESULTS

(a) The Fairblow Workforce

This section gives background information on the structure of the sample,* examining such variables as age, sex, type of job and union membership.

Nearly all the sample (79 out of 85) were full-time; of the 6 part-timers, 3 worked over thirty hours and 3 under thirty hours a week. The age range of the sample was from 17 to 73 years, with a mean of 39 (see Table 12). Length of service varied from under 1 year to 17 years, with a mean of just under 5 years (see Table 13). 60 (71%) of the sample were male and 25 (29%) female.

<table>
<thead>
<tr>
<th>Age (yrs)</th>
<th>under 20</th>
<th>20-29</th>
<th>30-39</th>
<th>40-49</th>
<th>50-59</th>
<th>60 &amp; over</th>
<th>Total</th>
</tr>
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<tr>
<td>Male</td>
<td>3</td>
<td>14</td>
<td>13</td>
<td>8</td>
<td>12</td>
<td>10</td>
<td>60 (71%)</td>
</tr>
<tr>
<td>Female</td>
<td>3</td>
<td>12</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>0</td>
<td>25 (29%)</td>
</tr>
<tr>
<td>Total</td>
<td>6 (7%)</td>
<td>26</td>
<td>16</td>
<td>10</td>
<td>17</td>
<td>10</td>
<td>n = 85</td>
</tr>
</tbody>
</table>

* For the purpose of this analysis, all statistics quoted are based on the 50% random sample used in the Survey, rather than the whole workforce. Checks made on the sample indicate that there is no obvious systematic distortion in the sample.

** In all tables, percentage figures are rounded to the nearest integer. Hence, totals of percentage figures may not equal 100% as a result of rounding errors.
TABLE 13  LENGTH OF SERVICE

<table>
<thead>
<tr>
<th>Length of Service (yrs)</th>
<th>Under 2</th>
<th>2-5</th>
<th>6-10</th>
<th>11-15</th>
<th>over 15</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>15</td>
<td>16</td>
<td>19</td>
<td>8</td>
<td>2</td>
<td>60 (71%)</td>
</tr>
<tr>
<td>Female</td>
<td>11</td>
<td>12</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>25 (29%)</td>
</tr>
<tr>
<td>Total</td>
<td>26</td>
<td>28</td>
<td>20</td>
<td>9</td>
<td>2</td>
<td>n = 85</td>
</tr>
</tbody>
</table>

Age was correlated with length of service to a fairly high degree (Kendall's $\gamma = +0.34$)

From Tables 12 and 13 it can be seen that the women employees tend to be younger than the men, and to have been in the company for considerably less time. For example, only 8% of women, as opposed to 48% of men, had been at Fairblow for over five years.

Male production manual employees were comparatively old - 19 out of a total of 34 in the sample were over 50. In fact, the average age of this group was almost 50 years.

Women were most concentrated in the 'junior non-manual jobs' (11 of the 12 people in this category were women). Other categories of job were overwhelmingly done by men, in particular 'skilled manual' jobs. Only one woman was in this category as opposed to 12 men.

Length of service varied considerably with current job classification. Supervisory (manual) employees had been longest with the company (mean = 10 years, n = 5) and had all
come from skilled or semi-skilled shop floor jobs. At the other extreme, junior non-manual employees had been with the company for an average of just under two years, having come either from similar jobs or from un/semi-skilled manual jobs except for one who had not had any previous employment. Other manual employees had mean length of service close to the sample average. Most had come from similar jobs to those they were doing now in terms of skill level. The intermediate non-manual employees again had a mean length of service near to the sample average. Fifteen of the twenty-six in this category had previously been in similar jobs; three in junior non-manual jobs; seven in skilled or semi-skilled manual work; and one in voluntary work.

Most of the sample had come from industrial employers (forty-eight out of seventy-eight = 62% of those who replied to the question about their previous employer for a period of six months or more). Twelve (15%) had not been employed previously for six months or more; two (3%) had been self-employed; 2(3%) had been employed in the public sector; six (8%) from non-industrial private sector employees; and eight (10%) from private employers that could not be positively identified as industrial or non-industrial.

Reasons given for leaving previous jobs are given in Table

<table>
<thead>
<tr>
<th>Reason</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redundancy</td>
<td>16</td>
<td>19%</td>
</tr>
<tr>
<td>Pay*</td>
<td>10</td>
<td>12%</td>
</tr>
<tr>
<td>Conditions*</td>
<td>11</td>
<td>13%</td>
</tr>
<tr>
<td>Work itself</td>
<td>10</td>
<td>12%</td>
</tr>
<tr>
<td>Other</td>
<td>23</td>
<td>27%</td>
</tr>
<tr>
<td>Unknown/not applicable</td>
<td>20</td>
<td>24%</td>
</tr>
</tbody>
</table>
| **Total**               | **n = 85** | * = 5 people gave 'pay' and conditions as reasons for leaving previous job. These are included in both categories, giving an apparent response rate of over 100%
One other factor relating to current and previous employments was examined - trade union membership and involvement. The results are in Table 14:

**TABLE 14: UNION MEMBERSHIP**

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union member now</td>
<td>3 (4%)</td>
</tr>
<tr>
<td>Was union member in a previous employment</td>
<td>32 (38%)</td>
</tr>
<tr>
<td>Never union member</td>
<td>42 (49%)</td>
</tr>
<tr>
<td>Unknown/not available</td>
<td>8 (9%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>n = 85</strong></td>
</tr>
</tbody>
</table>

8 (9%) of the sample had been shop stewards or held other official posts in a trade union, and a further 1 (1%) had stood for election to such a position.

Of the 32 people who had been union members in a previous employment, 6 said they had left the union because they were leaving a closed shop, 10 "on coming to Fairblow" and 16 for other reasons.

The picture given is of a workforce with a low degree of unionisation, but with almost half (35) having experience of trade union membership, 9 of whom had stood for, or been elected to, a post in the union. Lack of contact with trade unionism does not seem to be the reason for the low level of unionisation.
(b) **Company Participation**

Items and responses concerning respondents' knowledge of the constitution and involvement in company affairs were presented in Part I Section 7. These items were weighted and then combined to form an index of company participation according to the following criteria.

(i) A greater weight was given to more active forms of participation (i.e. Committee membership)

(ii) A somewhat greater weight was given to current, as opposed to past, participation.

(c) **Social Participation**

The items and responses were presented in Part I Section 8 above. They were combined according to criteria similar to those used in the index of company participation.

(d) **Job Satisfaction**

A summary of the results from the items on satisfaction with, and importance of, various aspects of work is given in Table 16. From this, it can be seen that satisfaction at Fairblow was highest with:

- Supervisor relations (5)
- Friendly and helpful people to work with (8)
- Holidays (11)
- Hours (13)
- Reputation of the company (16)
At the other end of the scale, satisfaction with Promotion Prospects appeared lowest, then Management Ability and efficiency Participating in Management Physical Surroundings

If we put the two satisfaction items relating to Common Ownership (see section above), satisfaction with "the way Common Ownership works in Fairblow", rating would be amongst the lowest, whereas overall satisfaction with "Fairblow being a Common Ownership" would be around the middle of the items.

When compared with the SSRC Survey \( n = 587 \) satisfaction at Fairblow was significantly higher only with the pension scheme \( 12 \), at 2.5\% level. It was significantly lower with Promotion Prospects Job Security "Being able to do the things you do best" Using One's own Initiative Safety Precautions Management Ability Provision of Adequate Equipment and Materials

The mean score of women \( 8.5 \) was higher than that of men \( 7.7 \) for overall job satisfaction. This was significant (using a one-tail Mann-Whitney U-Test) at a 15\% level. The overall job satisfaction score tended to be lower for higher level employees. For example, the mean score for intermediate non-manual employees \( 6.9 \) \( n = 25 \); for junior non-manual \( 8.7 \) \( n = 12 \); for supervisory and skilled manual \( 7.9 \) \( n = 5 \) and \( n = 13 \) respectively) and for semi-unskilled manual \( 8.6 \) \( n = 24 \).

The major difference here appears to be related more to the
<table>
<thead>
<tr>
<th>JOB ASPECTS</th>
<th>FAIRBLOW MEAN IMPORTANCE</th>
<th>FAIRBLOW MEAN SATISFACTION</th>
<th>SSRC MEAN SATISFACTION</th>
<th>FAIRBLOW DIFFERENCE AND SIGNIFICANCE LEVEL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Travel to/from work</td>
<td>7.6</td>
<td>8.0</td>
<td>8.1</td>
<td>Lower (10%)</td>
</tr>
<tr>
<td>2. Promotion prospects</td>
<td>6.1</td>
<td>5.7</td>
<td>5.6</td>
<td></td>
</tr>
<tr>
<td>3. Pay (total)</td>
<td>8.4</td>
<td>7.2</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>4. Physical surroundings</td>
<td>7.5</td>
<td>6.8</td>
<td>7.3</td>
<td></td>
</tr>
<tr>
<td>5. Relations with Supervisor</td>
<td>8.8</td>
<td>8.6</td>
<td>8.3</td>
<td></td>
</tr>
<tr>
<td>6. Job Security</td>
<td>8.6</td>
<td>7.6</td>
<td>8.2</td>
<td>Lower (0.5%)</td>
</tr>
<tr>
<td>7. Being able to do things done</td>
<td>8.6</td>
<td>7.3</td>
<td>8.0</td>
<td>Lower (0.5%)</td>
</tr>
<tr>
<td>8. Friendly people to work with</td>
<td>8.5</td>
<td>8.5</td>
<td>8.5</td>
<td></td>
</tr>
<tr>
<td>9. Public respect</td>
<td>7.1</td>
<td>7.3</td>
<td>7.5</td>
<td></td>
</tr>
<tr>
<td>10. Time to do work</td>
<td>7.7</td>
<td>7.9</td>
<td>8.0</td>
<td></td>
</tr>
<tr>
<td>11. Holidays</td>
<td>7.9</td>
<td>8.5</td>
<td>8.3</td>
<td></td>
</tr>
<tr>
<td>12. Pension scheme</td>
<td>7.1</td>
<td>7.6</td>
<td>6.2</td>
<td>Higher (2.5%)</td>
</tr>
<tr>
<td>13. Hours</td>
<td>7.6</td>
<td>8.7</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>14. Participating in Management</td>
<td>6.5</td>
<td>6.5</td>
<td>6.1</td>
<td></td>
</tr>
<tr>
<td>15. Using own Initiative</td>
<td>8.5</td>
<td>8.0</td>
<td>8.3</td>
<td>Lower (0.5%)</td>
</tr>
<tr>
<td>16. Firms Reputation</td>
<td>7.8</td>
<td>8.3</td>
<td>8.4</td>
<td></td>
</tr>
<tr>
<td>17. Safety Precautions</td>
<td>8.5</td>
<td>7.6</td>
<td>8.0</td>
<td>Lower (0.5%)</td>
</tr>
<tr>
<td>18. Management Ability</td>
<td>8.5</td>
<td>6.5</td>
<td>7.7</td>
<td>Lower (0.1%)</td>
</tr>
<tr>
<td>19. Adequate Equipment</td>
<td>8.6</td>
<td>7.2</td>
<td>8.0</td>
<td>Lower (25%)</td>
</tr>
<tr>
<td>20. Overall Job</td>
<td>N/A</td>
<td>7.9</td>
<td>8.3</td>
<td>Lower (10%)</td>
</tr>
</tbody>
</table>

* Only if difference significant at 10% level is this stated. Kolmogrov-Smirnov two-tailed test used. This is a test of the difference between the cumulative frequencies of the sets of data, and "is sensitive to any kind of difference in the distributions from which the two samples were drawn."
nature of the work (whether un/semi-skilled or not) than to whether it is manual or non-manual, though when divided into non-manual (mean 7.5, n = 27) and manual (mean 8.3, n = 42), the former are less satisfied.

In the SSRC sample, women (mean 8.6) were also more satisfied than men (mean 8.0) with their job overall. However, in the SSRC sample, mean scores for manual and non-manual employees were identical (8.3)

The most important aspects, according to our sample, were:

Relations with Supervisors;
Job Security;
"Being able to do the things you do best";
Adequate Equipment and Materials;
Friendly and helpful people to work with;
Using one's own initiative;
Safety Precautions;
Management Ability;
Total Pay;

The least important were promotion prospects, participating in management, public respect for the sort of work done and the pension scheme.

Compared with the Quality of Life*, the major differences in importance appear to be that convenience of travel, hours and promotion prospects were seen as more important than they were in Fairblow.

* Comparison cannot easily be made in a statistical way, as the SSRC sample were asked which three aspects were most important, rather than being asked to rate each one on a 0 to 10 scale.
It is possible to group the various importance ratings in ways which make sense theoretically. For example, the various aspects relating to the immediate job viz.,

Physical surroundings (4)
Relations with Supervisor (5)
Friendly and Helpful People to work with (8)
Time given to do the work (10)
Safety Precautions (17)
Provision of Adequate Equipment and Materials (19)

And the aspects relating to conditions within the firm of a more general nature, viz.,

Job Security (6)
Holidays (11)
Pensions (12)
Hours (13)

And those aspects relating to 'self-actualisation'

"Being Able to do the things you do Best" (7)
Public Respect for the sort of Work Done (9)
Participating in Management (14)
Using your own initiative (15)

Each of these groupings display high intercorrelations when compared with the overall matrix. As a rough check, for which statistical validity is doubtful, for the first of these, the following calculation may be useful. In the correlation matrix of all 19 elements about half the correlations were of 0.25 or more (Pearson's r). In the
first case of aspects 4, 5, 8, 10, 17, 19, out of the 15 intercorrelations, 14 were of r 0.25. If the fact that we are looking at a matrix rather than any set of 15 correlations does not affect the result significantly, the probability of 14 out of 15 being r 0.25 (or a more extreme result, i.e. 15 out of 15) would be about 1 in 2,000.

Since the measures of perceived importance relate to each other in predictable ways, one can have that much more confidence in their value as indicators of how important people feel the different aspects to be. In addition, the relationship of these items to the satisfaction scores provides a further crude check: if these scores have some basis in reality one would expect the satisfaction and importance of the different items to be relatively independent. "Relatively" because one might expect people to remain in a job where they are satisfied with things they feel are important, and vice-versa. The correlations between the various satisfaction and importance ratings vary between zero (17) - safety precautions - to + 0.62 (5) relations with supervisor or manager. These results indicate that our assumption of relative independence is not refuted, though there are some fairly high correlations between satisfaction and importance on some items.

Given that the data appears fairly sound, the failure to obtain comparable data from similar firms in the locality is regrettable. Without such a basis of comparison, it is not possible to take the analysis much further - though it still seems likely that the data will be of value in comparison with other Common Ownership firms as the research project proceeds.
(a) **Job Participation**

The items on autonomy and predictability of respondents' work were presented as indicated below. The results of these and other items are given in Part I, Section 9.

(i) **How much autonomy is there in your job?**

That is, to what extent does your job permit you to decide on your own how to go about doing the work.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Very little; the job gives me almost no personal &quot;say&quot; about how and when the work is done</td>
<td>Moderate; many things are not under my control but I can make some decisions about the work</td>
<td>Very much; the job gives me almost complete responsibility for deciding how and when the work is done</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(ii) **How predictable would you say your job was?**

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<tr>
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<th>1</th>
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<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Its always exactly the same</td>
<td>From time to time there are problems of one sort or another to deal with</td>
<td>I never know what's going to come up next</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(f) **Attitudes**

The responses to the items concerning attitudes to management and management-worker relations at Fairblow were given in Section 7 of Part I. The same format (a statement, with the response chosen from a 5 point scale from strongly disagree to strongly agree) was used applying to respondents' previous employment. Thus, the name of the previous employer was first ascertained and this was substituted in the statement and tenses changed accordingly. To examine the changes in attitudes, we must compare only those people who replied in both cases - about sixty of the sample. This is done overleaf in Table 17.
TABLE 17  CHANGES IN ATTITUDES

Kay to tables: SD = "strongly disagree", D = "disagree", H = "half and half", A = "agree", SA = "Strongly agree", T = "total".

1. Management keeps employees in the dark quite unnecessarily; there should be far more information about company matters

<table>
<thead>
<tr>
<th></th>
<th>PREVIOUS EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
</tr>
<tr>
<td>F</td>
<td>A</td>
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<tr>
<td></td>
<td>I</td>
</tr>
<tr>
<td></td>
<td>R</td>
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</tbody>
</table>

2. It is right management should take all the major decisions about the firm

<table>
<thead>
<tr>
<th></th>
<th>PREVIOUS EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
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<td>A</td>
</tr>
<tr>
<td></td>
<td>I</td>
</tr>
<tr>
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<td>R</td>
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<tr>
<td></td>
<td>O</td>
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<tr>
<td></td>
<td>T</td>
</tr>
</tbody>
</table>

3. The employees have no more say in the firm's affairs than employees in most business

<table>
<thead>
<tr>
<th></th>
<th>PREVIOUS EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
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<td>F</td>
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<td>I</td>
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<td>R</td>
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<tr>
<td></td>
<td>O</td>
</tr>
<tr>
<td></td>
<td>T</td>
</tr>
</tbody>
</table>

4. Most managers will give you a fair hearing - if they can't help you it's because there's a good reason.

<table>
<thead>
<tr>
<th></th>
<th>PREVIOUS EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SD</td>
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<td>F</td>
<td>A</td>
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<td></td>
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<td></td>
<td>O</td>
</tr>
<tr>
<td></td>
<td>T</td>
</tr>
</tbody>
</table>
5. Giving employees more of a say would make things better

<table>
<thead>
<tr>
<th>F</th>
<th>PREVIOUS EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>SD 1 - - 1 - 2</td>
</tr>
<tr>
<td>A</td>
<td>D 2 2 3 7 2 16</td>
</tr>
<tr>
<td>A</td>
<td>H 2 7 - 4 1 14</td>
</tr>
<tr>
<td>A</td>
<td>A - 4 8 6 4 22</td>
</tr>
<tr>
<td>A</td>
<td>SA 1 1 - 1 4 7</td>
</tr>
<tr>
<td>W</td>
<td>T 6 14 11 19 11 n=61</td>
</tr>
</tbody>
</table>

6. Managers have the welfare of the employees at heart

<table>
<thead>
<tr>
<th>F</th>
<th>PREVIOUS EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>SD 1 1 - - 1 3</td>
</tr>
<tr>
<td>A</td>
<td>D 3 2 1 1 1 8</td>
</tr>
<tr>
<td>A</td>
<td>H 4 5 8 2 - 19</td>
</tr>
<tr>
<td>A</td>
<td>A 4 4 10 4 1 23</td>
</tr>
<tr>
<td>A</td>
<td>SA 3 1 1 - 1 6</td>
</tr>
<tr>
<td>W</td>
<td>T 15 13 20 7 4 n=59</td>
</tr>
</tbody>
</table>

7. Decisions can be made much more democratically without really harming the company

<table>
<thead>
<tr>
<th>F</th>
<th>PREVIOUS EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>SD - 1 - 2 -</td>
</tr>
<tr>
<td>A</td>
<td>D - 1 1 8 -</td>
</tr>
<tr>
<td>A</td>
<td>H 1 3 10 4 3 21</td>
</tr>
<tr>
<td>A</td>
<td>A - 2 3 14 2 21</td>
</tr>
<tr>
<td>A</td>
<td>SA 1 - - - 3 4</td>
</tr>
<tr>
<td>W</td>
<td>T 2 7 14 28 8 n=59</td>
</tr>
</tbody>
</table>

8. It seems as though in the future employees could have more and more control over the way the firm is run.

<table>
<thead>
<tr>
<th>F</th>
<th>PREVIOUS EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>SD 1 - - - - 1</td>
</tr>
<tr>
<td>A</td>
<td>D 6 3 2 1 - 12</td>
</tr>
<tr>
<td>A</td>
<td>H 7 6 5 2 1 21</td>
</tr>
<tr>
<td>A</td>
<td>A 1 7 2 10 2 22</td>
</tr>
<tr>
<td>A</td>
<td>SA 1 - - - 2 3</td>
</tr>
<tr>
<td>W</td>
<td>T 16 16 9 13 5 n=59</td>
</tr>
</tbody>
</table>

9. Workers need trade unions to look after their own interests (in the firm)

<table>
<thead>
<tr>
<th>F</th>
<th>PREVIOUS EMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>SD 9 1 3 9 5 27</td>
</tr>
<tr>
<td>A</td>
<td>D 1 3 5 8 3 20</td>
</tr>
<tr>
<td>A</td>
<td>H - 1 1 2 4 8</td>
</tr>
<tr>
<td>A</td>
<td>A - 1 - 1 - 2</td>
</tr>
<tr>
<td>A</td>
<td>SA - - 1 - 3 4</td>
</tr>
<tr>
<td>W</td>
<td>T 10 6 10 20 15 n=61</td>
</tr>
</tbody>
</table>
Using Wilcoxon matched-pairs signed-rank test, the null hypothesis that the views expressed in the two cases are from the same distribution, can be rejected at the following levels (2 tail tests) for the various statements.

1. 0.2% significance level
2. Not significant at 20% level
3. 0.1% significance level
4. 1% significance level
5. Not significant at 20% level
6. 0.1% significance level
7. 0.5% significance level
8. 0.1% significance level
9. 0.1% significance level

From these, we can conclude that there are significant differences (at least the 1% level) in the expressed attitudes towards Fairblow, as opposed to respondents' previous employment, in all but two of the nine statements.

In each case these items, excluding number 8, which was not well correlated with the others, were used to form indices of attitudes to management. However, one can raise serious questions about what is being measured and possible response effects, regarding the index of attitudes to previous management. Since such a measure has not been used before in social research, it cannot be "checked" in the same way as the other measures, prior to its use with the variables of interest. In this case, therefore, one can only consider its associations with these other variables, judging them more or less plausible in the light of the rationale for the measurement. This rationale is as follows:
Firstly, the measure is of current attitudes towards the management of respondent's previous employer. It is certainly not intended as a measure of employees earlier attitudes to management while they were still in their previous employments. As such, the current attitudes will certainly be affected by the experience of Fairblows and this is important if it is to work at all. If, then, the index does capture employees' views of their previous management, in the light of working at Fairblows, it will allow greater meaning to be given to the expressed attitudes to management at Fairblows. By cross-tabulating with the index of attitudes towards the management of Fairblows one can distinguish between, for example, those who regard positively both Fairblows and their previous management on the one hand, and those who regarded positively Fairblows management but not that of their previous employment. This is done in creating the variable "Comparative Attitude" (see Part II Section 4) which certainly appears to discriminate usefully among employees.

However, the index of attitudes to previous management is also used on its own, possibly with less justification, as giving some indication of employees previous work experience. The problem in doing so arises from possible response effects that can be allowed for or ignored when the index is used in conjunction with the index of attitudes towards Fairblows management. Briefly, there are two sorts of possible response effect: the first would arise from a desire to justify one's change of employer by downrating the previous management. This is a quite definite possibility. It was allowed for in creating the Comparative Attitude variable by only classifying respondents as "Discriminating Supporters" when their score on the
Fairblow management attitude index was at least 6 points higher than on the previous management attitude index. In other words, a more positive attitude towards Fairblows management was attributed to response effect unless the difference was really quite substantial.

The other possible response effect arises from the fact that it must have been obvious to the sample that their responses to the items on their previous employment would be compared with their responses to the equivalent items for Fairblow. Hence, the previous employment items would have been used to reinforce by comparison, views the respondents had expressed about Fairblow. But, arguably, even if this response effect is massive it can be ignored as regards "Comparative Attitude": such responses would still indicate important differences in attitudes to Fairblow even if they said little about previous employment. The problem would then be that such differences would themselves require an explanation - instead of providing a possible explanation of other factors.

However, when it comes to using the previous management attitude index on its own, the position regarding these response effects is reversed: the first, barring a very uneven distribution, can be fairly safely ignored (since the overall relationship of the index to other variables is unlikely to be much affected by some or many of the scores being lower than they "really" should be). But the second effect, if strong, would make any interpretation of the index very difficult. These points should be borne in mind in interpreting the relationship of the previous management attitude index to company participation and other variables, as discussed in Part II.
Having discussed these possible weaknesses in the index, it should be pointed out that there is nothing in the way it actually relates to other variables to seriously undermine the most obvious and straightforward interpretation - that the index reflects, albeit roughly, employees previous employment experience considered in the light of working at Fairblow.
INTERVIEWER :  
DATE :  
TIME STARTED :  

INTRODUCTION  
I am going to ask you a number of questions about your job, about Fairblow and about your opinions on a number of different matters. Remember that I simply want your own opinion - there are no right or wrong answers. And your replies are entirely confidential - so long as it is your opinion we don't mind what you say, and no-one else will see the questionnaire. Some of the questions may appear rather drawn out but we can rattle through them quite quickly. And I would like to thank you in advance for your co-operation - it means a lot to us and is an important part of our project here.
SECTION I
Background Data

1. Name:
2. Age:
3. Years with Company:
4. Job Title:
5. Job Classification:

1. Intermediate, Non-manual
2. Junior Non-manual
3. Foreman & Supervisor, Manual
4. Skilled Manual
5. Semi-Skilled Manual
6. Unskilled Manual

SECTION II
Employment History

1. What was the last job you had before you came to Fairblow?
   Job Title:
   (If 'NONE' move to question 5).

2. (If necessary) What sort of job was that (probe as appropriate - i.e. was skilled or semi-skilled)?
   Job Classification:
   1. Intermediate Non-manual
   2. Junior Non-manual
   3. Foreman & Supervisor Manual
   4. Skilled Manual
   5. Semi-Skilled Manual
   6. Unskilled Manual
3. Why did you leave your previous job?

   1. Redundancy
   2. Pay
   3. Conditions
   4. Work itself
   9. Other (specify)
   99. DK/NA/ref

   Other: .................................. 

4. What were the main jobs you had before that, say, for a year or more?

   Brief Job Description: ....................
   ...........................................
   ...........................................

   Brief Job Description: ....................
   ...........................................
   ...........................................

   Brief Job Description: ....................
   ...........................................
   ...........................................

   Brief Job Description: ....................
   ...........................................
   ...........................................

5. Are you a member of a Trade Union?
   (if 'YES' move to question 8)

   1. Yes
   2. No
   99. DK/NA
6 Have you ever been a member of a Trade Union?
   (if 'NO' move to SECTION III)
   1 Yes
   2 No
   99 DK/NA

7 When did you stop being a member of a Trade Union?
   (probe as necessary re closed shop)
   1 On leaving closed shop job
   2 On coming to Fairblow
   3 Other
   99 DK/NA

8 Were you ever a shop steward, or have any other post in the Union?
   1 Yes
   2 No
   99 DK/NA

9 Did you ever stand for election as a shop steward or any other post in the Union?
   1 Yes
   2 No
   99 DK/NA
SECTION III

General Participation

Now I would like to ask you some questions about the Fairblow Community and the Consultative Group.

1. Does the fact that Fairblow is a Common Ownership firm hold any true value or interest to you?
   1. Yes
   2. Very Little
   3. No
   99. DK/REF

2. Consultative Group Representative
   (if 'YES' move to question 10)
   1. Yes
   2. No
   99. NA

3. Have you ever been a Consultative Group Representative?
   1. Yes
   2. No
   99. DK/NA

4. Who is your Consultative Group representative:
   Name: ____________________________
   1. Correct
   2. Incorrect
   3. Don't Know
   99. NA
9 How often do you read the minutes of the Consultative Group or Community Council meetings?

0 Rarely/Never
1 Occasionally
2 Quite often
99 DK/NA

10 Did you attend the Special General Meeting of the Fairblow Community in October?

1 Yes
2 No
99 DK/NA

11 Do you think you will attend any General Meetings of the Fairblow Community in the future?

0 No
1 Maybe
2 Yes
99 DK/NA

12 Now some questions on Common Ownership. I'd like you to tell me which number on the scale comes closest to how much you approve or disapprove of the idea of Common Ownership?

Number
99 DK
5. How often have you gone to a Consultative Group member with a problem or issue in the last year?

0  Never
1  Once
2  Twice
3  Three times or more
99  DK/NA

* 6. Community Council Member?
F.I.B. (If 'YES' move to question 12)

1  Yes
2  No

7. Have you ever been a member of the Community Council?

1  Yes
2  No
99  DK/NA

8. How often do you discuss things with a Consultative Group Representative or a Council Member?

0  Rarely/Never
1  Occasionally
2  Quite Often
99  DK/NA
13 And which number on this scale comes closest to how much are you satisfied or dissatisfied with the way Common Ownership works in Fairbrow at the moment?

Number
99 DK/BLANK

14 And all things considered, how satisfied or dissatisfied are you overall with Fairbrow being Common Ownership?

Number
99 DK/BLANK

15 And which number on the scale comes closest to how important or unimportant Common Ownership is in determining how satisfied or dissatisfied you are with your job?

Number
99 DK/REF/BLANK

16 Are you a member of the Fairbrow Community?

1 Yes
2 No
3 DK 'NA
99 BLANK/REF
SECTION IV

Social Participation

Now I would like to ask you some questions about the Sports and Social Club.

* 1. Member of Sports and Social Club
   F.I.B. (If 'NO' move to question 3)
   1. Yes
   2. No

2. What sorts of activities do you use the Sports and Social Club for?
   1. Darts
   2. Table Tennis
   3. Outings
   4. Discos
   5. Cricket
   6. Band
   7. Other (specify)
   9. Non in particular
   99. DK/BLANK/NA

   Other:

* 3. Sports and Social Club Committee
   F.I.B. (If 'YES' move to question 5)
   1. Yes
   2. No
Have you ever been a member of the Sports and Social Club Committee?

1 Yes
2 No
99 DK/NA

Have you ever helped organise a collection for another member of the Company (on their marriage, say, or retirement)?

1 Yes
2 No
99 DK/REF

Do you think you will attend the next annual Dinner-Dance?

1 Yes
2 Maybe
3 No
99 DK/REF
1. Firstly, how much autonomy is there in your job? That is, to which extent does your job permit you to decide on your own how to go about doing the work.

2. How predictable would you say your job is?

3. When there are problems in your work, or you have questions or ideas about it, how often do you sort things out yourself or with the people you work with?

   1. Almost Never
   2. Now and Then
   3. Quite Often
   9 DK/NA/RED

4. And how often would you take such problems, questions, or ideas, to your supervisor?

   1. Now and Then
   2. Quite Often
   3. Always
   9 DK/NA/RED

5. And now I'd like to know what happens when you take problems or questions to your supervisor. I'm going to read you some statements about what might happen and I'd like you to tell me whether that happens usually, sometimes, or never:
A He shows you the best way of handling it -
1 Never
2 Sometimes
3 Usually
4 DK/REF

B He explains why it has to be that way -
1 Never
2 Sometimes
3 Usually
4 DK/REF

C He takes the matter up with other people -
1 Never
2 Sometimes
3 Usually
4 DK/REF

D You work something out between you -
1 Never
2 Sometimes
3 Usually
4 DK/REF

E Nothing happens -
1 Never
2 Sometimes
3 Usually
4 DK/REF
SECTION VI

Job Satisfaction

1. Now I am going to read you a list of various aspects of jobs. As I read each one, could you tell me which number on the scale comes closest to how satisfied or dissatisfied you are with that aspect of your job?

Score DK/REF

A Convenience of travel to and from work

B Promotion prospects

C The total pay, including any overtime and bonuses.

D The physical surroundings

E Relations with your supervisor or manager

F The job security

G Being able to do the thing you do best

H Friendly and helpful people to work with

I Public respect of the sort of work you do

J The time you are given to do the work

K The holiday arrangements

L The pension scheme in your firm

M The hours you work

N Participating in management

O Using your own initiative

P The reputation of your firm
Q. Safety precautions, controls on health hazards

R. Ability and efficiency of management

S. Provision of adequate equipment and materials for your job

2. Are there any other aspects of your job that I have not mentioned, and that you think are important?
   (If 'NO' move to question 3)

   1. Yes
   2. No

   All right, how satisfied or dissatisfied are you with

   ..............................................
   ..............................................

   (create item from previous response and write in space above)

3. Now I am going to read the list again; this time I would like you to tell me which number on the scale comes closest to how important or unimportant that aspect of your job is in determining how satisfied or dissatisfied you are with your job

   A. Convenience of travel to and from work
   B. Promotion prospects
   C. The total pay, including any overtime and bonuses
D The physical surroundings
E Relations with your supervisor or manager
F The job security
G Being able to do the thing you do best
H Friendly and helpful people to work with
I Public respect of the sort of work you do
J The time you are given to do the work
K The holiday arrangements
L The pension scheme in your firm
M The hours you work
N Participating in management
O Using your own initiative
P The reputation of your firm
Q Safety precautions, controls on health hazards
R Ability and efficiency of management
S Provision of adequate equipment and materials for your job
T See question 2 above
4. Which three aspects of your job do you think are most benefited, if any, by the Company being Commonly Owned?

0
1
2
3
DK/REF

5. Which three aspects of your job do you think are most damaged, if any, by the Company being Commonly Owned?

0
1
2
3
DK/REF

6. All things considered, how satisfied or dissatisfied are you overall with your job?

Score
DK/REF
SECTION VII

Attitudes

SHOW CARD D

1. Now I'm going to read you some statements about employees and management. I'd like you to tell me which number on the card comes closest to how much you agree or disagree with each one in turn.

Score DK/Blank

A. Management keep employees in the dark quite unnecessarily; there should be far more information about Company matters.

B. It is right that management should take all the major decisions about .

C. The employees at have no more say in the firm's affairs than employees in most businesses.

D. Most managers at will give you a fair hearing - if they can't help you it's because there's a good reason.

E. Giving employees more of a say would make things better.

F. Managers have the welfare of the employees at heart.

G. Decisions could be made much more democratically than they are now without really harming the Company.

H. It seems as though in the future employees could have more and more control over the way the firm is run.

I. Employees need Trade Unions to look after their own interests

2. What was the name of the last Company you worked for, for six months or more, before coming

NAME ____________________________

NONE

DK/REF/BLANK
Now I'm going to read you the statements again, but this time dealing with as you remember it, and again I'd like you to tell me how much you agree or disagree with each one.

A. Management at kept employees in the dark quite unnecessarily; there should have been far more information about Company matters.

B. It was right that management should take all the major decisions about

C. The employees at had no more say in the firm's affairs than employees in most businesses.

D. Most managers at would give you a fair hearing - if they couldn't help you it was because there was a good reason.

E. Giving employees at more of a say would have made things better.

F. Managers at had the welfare of the employees at heart.

G. Decisions in could have been made much more democratically than they were without really harming the Company.

H. It seems as though in the future employees at could have had more and more control over the way the firm was run.

I. Employees needed Trade Unions to look after their own interests at.

Time Completed: 

That's all; thank you very much indeed for your help.
REFERENCES

1 The "Community of Work" experiments at Boimondau and elsewhere are charmingly described in Bishop Claire Hutchet "All Things Common". N.Y. 1950.


4 Flanders, Pomeranz and Woodward "Experiment in Industrial Democracy". London 1968.

5 Exact figures are difficult to calculate and depend on the definitions chosen; the Department of Industry, and the Industrial Common Ownership Movement (31 Hare Street, London) have some figures.

6 Flanders et al., op. cit.

7 Blum, op. cit.


12 A remark of James A. Davis.


16 Ibid.

17 Official statistics on turnover are given by region and industry but not by size of organisation. Hence comparisons are of limited value. However, Fairblow's turnover of less than 3% compares favourably, on the face of it, with over 5% and 7% for the South East and Mechanical Engineering, respectively.


19 Merton, R.K. "Social Theory and Social Structure". The Free Press 1968, pp 447-8 for a conceptualisation of "local" and "cosmopolitan" influentials. As used more loosely in the text, the terms apply simply to orientations among managers regarding their expected career patterns.

21 Ibid.


25 Blumberg P. "Industrial Democracy: The Sociology of Participation". London 1968. The sweeping conclusions of Chapter 6 are weakened by the failure to distinguish between different forms of participation (among other reasons).


28 Bishop, C.H. op. cit.
