

# The Latent Function of the Production Council

## La fonction latente du conseil de production. L'expérience d'Israël

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Résumé de l'article

Par définition, une organisation possède des statuts qui déterminent sa structure, son fonctionnement, ses buts ou objectifs. En théorie, si les statuts sont rationnels et si l'organisation contrôle l'issue de certaines variables, elle peut atteindre sa fin. En pratique, cependant, on découvre souvent qu'une organisation s'éloignera de ses buts pour remplir une fonction qu'elle ne recherche pas. Il est souhaitable, en conséquence, de chercher à expliquer une pareille déviation afin de préciser la fonction de l'organisation.

Dans le présent article, nous présentons une analyse fonctionnelle du conseil de production dans l'industrie en Israël. Le conseil de production est un organisme formé d'un nombre égal de représentants des travailleurs et des employeurs. Deux représentants sont nommés, l'un par le conseil des ouvriers (un organisme électif qui représente les travailleurs dans l'entreprise en matière de relations professionnelles) et l'autre, par la direction. Les autres membres sont élus par le groupe qu'ils représentent.

Les fonctions réglementaires du conseil de production sont les suivantes: assurer la coopération entre les salariés et la direction de l'entreprise en vue de trouver les voies et moyens nécessaires au développement des entreprises industrielles; accroître l'efficacité et hausser la productivité; établir des méthodes de travail adéquates et les rémunérations au rendement. La fin explicite de l'accord relatif au conseil de production est de séparer nettement la compétence du conseil de production du régime de négociations collectives entre la direction et le conseil des ouvriers au sein de l'entreprise. Les procédés par lesquels le conseil de production exerce son activité sont établis dans cet accord. Les décisions du conseil de production lient la direction et le conseil des ouvriers, ce qui laisse les groupes sans beaucoup d'influence directe formelle sur le conseil de production.

En vue d'examiner le conseil de production dans l'industrie en Israël, nous avons utilisé la théorie fonctionnelle de Merton (1957) et de Stinchcombe (1968). Nous avons considéré ensuite trois propositions: a) la proposition de la fonction réglementaire qui rattache les modèles de comportement réels et normaux à cette fonction, selon l'accord formel du conseil de production; b) une proposition structurelle différente qui énonce que, même si les modèles réels diffèrent des modèles normaux, le conseil de production s'explique encore par sa fonction authentique; c) la proposition de fonction latente qui énonce que le conseil fournit aux parties dans l'entreprise une fonction différente de celle qui est manifestée dans les statuts.

Les trois propositions ont été examinées une à une. La proposition de fonction réglementaire est à rejeter comme explication valable du conseil de production. La deuxième proposition n'apparaît pas être une explication alternative et elle est aussi à rejeter. Les deux propositions ont été analysées à partir de données recueillies auprès d'un échantillon représentatif de 201 membres de conseils de production dans l'industrie en Israël.

La fonction latente semble fournir une explication valable du conseil de production dans l'entreprise. Touchant les limites imposées aux parties dans l'entreprise par la convention collective nationale dans l'industrie en Israël, le conseil répond aux besoins des parties dans l'entreprise d'être impliquées dans le processus de négociation. Le conseil de production est un mécanisme de négociations pour ces parties. Aussi longtemps que le conseil de production conserve cette fonction et continue à contribuer à de telles réalisations, les parties continueront à soutenir le conseil de production, quelle que soit sa fonction réglementaire.

# The Latent Function of the Production Council

## A. Ben-Porat

*The author presents a functional analysis of the Production Council in Israeli industry. He first presents the P.C.'s manifest function and discusses its existence and reasoning. He then provides a latent function interpretation of the phenomenon and suggests that this interpretation adequately explains the phenomenon and contributes to its understanding within the enterprise context.*

By definition, an organization has a charter which specifies its structure, modus operandi, and its goals or purposes. In theory, if the charter is rational and the organization has control over the outcome of certain variables, these goals will be realized. In practice, however, one often finds that an organization will deviate from its charter and fulfill some unintended function. It is desirable, therefore, to explain such deviation in order to specify the function of the organization.

Merton's (1968) distinction between manifest and latent functions leads to the suggestion that an organization's deviation from its charter originates and is maintained because the consequences of such deviations are functional in terms of criteria other than those encompassed by the manifest function.<sup>1</sup> Thus, Merton offers a functional explanation of an organization's deviation from its manifest function.

In the present paper we present a functional analysis of the Production Council (P.C.) in Israeli industry.<sup>2</sup> We first present the P.C.'s manifest function and discuss its existence and reasoning. Subsequently, we provide

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<sup>1</sup> In a later paper, Merton (1976) states that latent social problems are "...Those unwanted social conditions that are at odds with some of the (often undeclared) values and interests of group and strata in society but are not generally recognized as being so" (p. 173).

<sup>2</sup> The Research Study's Report is available in: BEN-PORAT, A., *The Production Council in Israel*, Economic and Research Institute, Histadruth, Tel Aviv, 1971 (in Hebrew), and also in Ben-Porat (1973).

a latent function interpretation of the phenomenon and suggest that this interpretation adequately explains the phenomenon and contributes to its understanding within the enterprise context. Examples of this approach are available in the literature (Seleznick, 1949; Gouldner, 1958).

Merton's functional approach concerning the testing and application of the social phenomenon in the so-called micro-level structure<sup>3</sup> enables the student to interpret a social phenomenon using the functional-structural method while ignoring the problematic philosophy of the general theory (Wallace, 1969). The ongoing debate (Lockwood, 1956; Hempel, 1959; Scott, 1963; Turner, 1974; Blake, 1961; Gouldner, 1959; Davis, 1959; Homance and Schneider, 1955) about the functional theory does not concern us here.

By definition, a functional analysis is based on a detailed report of the studied phenomenon — the Protocol (Merton, 1968). The student is required to describe the phenomenon with regard to its structure, patterns of behavior and the relationships between the studied phenomenon and its related social structure. Practically, it is impossible to encompass in this paper both a detailed description and an analysis of the P.C. and its social surrounding. Therefore, we present a brief description of the P.C. that emphasizes only those variables which are essential to the understanding of the particular 'item' and its relevant interpretation. Based on this description, we suggest the key variables for the functional analysis and treat the phenomenon according to a paradigmatic model which states the causal relationships between patterns of behavior and desired or, alternatively, unintended consequences, regarding both the manifest and the latent functions.

## THE PRODUCTION COUNCIL

The present description of the P.C. in Israeli industry and the evidence discussed later are based on a field study aimed at establishing the causal relationship between certain behavior consequences and regarding the "input" of the P.C. to the enterprise system.<sup>4</sup> The formal presentation of the phenomenon is derived from the Agreement between the Histadruth (the

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<sup>3</sup> This paper applies a micro-type analysis to the enterprise level. Although the industrial system at the national level is, by definition, a macro-phenomenon (DUNLOP, 1958), we are not dealing with this level, even though our explanations are based on the links between the macro and micro levels (see MERTON, 1976; BLAU, 1964.).

<sup>4</sup> BEN-PORAT, A., *The Production Council in Israel*, Economic and Social Research Institute, Histadruth, Tel Aviv, 1971 (in Hebrew).

Federation of Labour in Israel) and the Manufacturers Association.<sup>5</sup> This Agreement is considered as the "charter" of the P.C., since it defines its aims, *modus operandi* and norms of behavior.

The P.C. in the enterprise is a body composed of equal numbers of workers and management representatives. Two representatives are appointed, one by the Worker's Committee — an elected body which represents the workers in the enterprise in matters of worker-management relationships — and the other by the management. The remaining members are elected by the group which they represent.

The manifest function of the P.C. is stated in the preamble of the Agreement: "To ensure co-operation between workers and management of enterprises for the purpose of finding ways and means for the development of industrial enterprises... To increase efficiency and raise productivity... To establish adequate working methods and incentive wages..." (1967, pp. 1-2). The explicit purpose of the P.C. Agreement was to separate the P.C.'s jurisdiction from the conventional, collective bargaining system between the management and the worker's committee<sup>6</sup> in the enterprise (Ben-Porat, 1973).

Preambles tend to state the ideology of the organization, while the organizational structure attempts to translate ideological concepts into practical terms of behavior, such as role definitions, procedures, etc. The formal structure of the P.C. was established in the sense of its manifest function by the preamble, which states the procedural methods by which the P.C. operates, its jurisdiction, and the activities of the P.C. These activities are of two types: those investing the P.C. with executive powers and those giving it the privilege to receive information concerning the enterprise's economic position. In this paper we intend to deal with the first type of activity which is directly related to the P.C.'s manifest function.

As already stated above, the P.C. is composed of elected members of the parties in the enterprise. The Council is elected for a term of one year. One third of the members of each "new" P.C., however, are carry-overs from the previous year. This arrangement is to ensure continuity. Although substitution of elected participants is required by the Agreement, it is not in-

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5 The P.C. Agreement, an appendix to the Collective Agreement between the Histadruth and the Manufacturers Association, appears under the heading "General Agreement-Agreed Rules Concerning Production Councils", Tel Aviv, April 1967.

6 The worker's committee is the body elected by the workers in the organization to represent the latter vis-a-vis the management.

tended to be a full scale substitution which usually means a new 'socialization' of each P.C.'s members into their roles. On the other hand, election and substitution tend to ensure that the P.C. is a representative body.

Another element in the structure which is important in the present context is the procedures by which the P.C. carries out its activities. Decision making is by vote on the specific subject, with a simple majority being sufficient to approve a resolution. Furthermore, resolutions of the P.C. are binding on the management and the worker's committee leaving these groups with very little direct influence on the P.C. and formally guaranteeing the autonomy of the P.C. within its jurisdiction.

In view of the above brief description it is advisable to emphasize three main points which are connected to the relationship between consequences and the particular structure of the P.C. We regard consequences as those which are desirable and tend to be maintained, and according to Stinchcombe "Which in turn function as cause of behavior or structure to be explained" (1968, p. 87):

- 1) The function of the P.C. is anchored within the production subsystem in the enterprise.<sup>7</sup> Since the P.C. contributes some defined 'input' to this subsystem, the desired consequences should be pursued here. Consequently, the activities invested in the P.C. are patterned so as to achieve the desired consequences. Thus, if one is concerned with the function of the P.C. in the enterprise, he should be concerned with the production subsystem. However, in order to establish the functional relationship between the P.C. and this subsystem, the point of departure is the P.C.'s structure and its patterned behavior, since the structure is designed to accomplish specific ends.
- 2) By definition, the P.C. is a representative body. Representation, at least from the workers' point of view, is essential since it regulates the relationship between the "mass" of the workers and the P.C. while giving them the feeling of involvement. Therefore, the regular process of participatory elections is not a mere technicality, but is considered as an important means to function accomplishment.
- 3) The P.C. consists of participants who represent the interests of different reference groups.<sup>8</sup> This specifies inter alia the potential conflict

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<sup>7</sup> A functional description and analysis of the industrial system are suggested by Dunlop (1958). In this study we use some of his concepts to treat the enterprise as a system. We identify subsystems by their focal roles and indicate their interrelationships.

<sup>8</sup> See MERTON (1976, pp. 156-179), regarding sociological elements of commissions. In many of its features the P.C. is a commission type.

inherent with the P.C. Yet, much of the potential conflict is an "external" one derived from the relationship between the P.C. and the worker's committee or the management. In order to attenuate the potential conflict, the P.C. is autonomous within its jurisdiction. Its autonomy is guaranteed by its formal definition and the aforementioned relationship between the P.C. and other bodies within the enterprise. Thus, the P.C. deals with a particular set of tasks over which it alone has authority. Moreover, the decisions made by the P.C. bind the parties in the enterprise, and ensure its authority over the management and the worker's committee.

We have discussed the above three points as if they are independent of each other. They are, however, interrelated by the concept of participation which, although it is a limited form (Bar-Yosef and Bar-Haim, 1975) concerning the production subsystem only, constitutes the basic motive for the P.C. in the Israeli case. For example, although the end seems to be technical (productivity) the participative motive guides the selection of the relevant structure.<sup>9</sup> When dealing with the manifest function proposition, we implicitly assume that the frame of reference is that of participation within the production subsystem.

## THE RESEARCH STUDY

The study of the P.C. in the enterprise setting began with a pilot study which provided the necessary information about the P.C.'s structure, definition of roles, activities, etc. When this stage was completed a sample of 70 P.C.'s out of a population of 400 in Israeli industry was studied. The sample was chosen to ensure the representativeness of three important variables: size of enterprise, economic branch and type of ownership. 201 people were interviewed, 104 from the worker's group (including the chairman of the worker's committee) and 97 from management (including personnel management). Within each enterprise of the sample both worker and management participants were interviewed. On the average, 3 people were interviewed for each P.C. The study gathered information on: A) the structure of the P.C.; b) the behavior of the P.C., and c) the cognitive responses of the participants regarding a and b.

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<sup>9</sup> Productivity may be achieved by means other than the P.C. By establishing the P.C. it was explicitly assumed that the particular participative structure is, under certain conditions, the most effective one for achieving desired ends.

In this paper we mainly use the information referring to the structure of the P.C. The information is independent of the attitudes or motives of the participants. However, in the last section of the paper, we uphold our suggested interpretation of the P.C., by evidence taken from the general study (Ben-Porat, 1971, 1973).

As stated above, our analysis is based on three key variables which we considered to be the most important ones regarding the P.C.'s structure and function. These three variables are: the pattern of representation, the pattern of autonomy and the pattern of performance. However, before presenting the data and its interpretation we present a paradigm of the functional model, which specifies the variables and their causal explanation.

With regard to the causal explanation (Stinchcombe, 1968; Merton, 1957) the model first distinguishes between consequences and causes, and then indicates two alternative anchors for consequences, the production subsystem and the enterprise.<sup>10</sup> The model also indicates two types of causal behavior, normative and actual. For both types it is assumed that behavior is a cause for certain consequences (Stinchcombe, 1968).

The model also provides the framework for the study's proposition regarding the relationship between either normative or actual patterns of behavior and consequences: When normative and actual patterns of behavior are the same, the P.C. maintains its manifest functions, and consequences which tend to be maintained are caused by the normative patterns.<sup>11</sup> However, when normative and actual patterns of behavior are different we propose that either the actual patterns exhibit an alternative structure (Merton, 1968), or the actual patterns are related to different consequences which are not intended by the participants but which are functional in the enterprise's system or some of its units (excluding the production one). The latter proposition points to the necessity of testing the causal relationship between consequences and patterns of behavior, with the possibility that other units in the enterprise are involved. It is proposed therefore, that when actual but *non*-normative patterns of behavior are found to be related to the production system, it is an alternative structure proposition which explains the phenomenon. In other words, consequences are maintained through P.C. activities other than the normative pre-planned ones.

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<sup>10</sup> We consider the enterprise as a whole unit. However, we shall specify the particular subsystem to which the P.C. is found to contribute.

<sup>11</sup> Without disturbing the logic of functional explanation, we may argue that in this situation the P.C. causes particular and desired consequences within the production subsystem.

When actual but *non*-normative patterns of behavior are not related to the production subsystem, we propose the latent function as an alternative interpretation; relevant consequences should be sought within the enterprise as a whole or within subsystems other than the production subsystem.

We thus are dealing with three propositions: the manifest function proposition, the alternative structure activity proposition and the latent function proposition. The order of the propositions is not accidental, but follows the logic of the functional explanation which suggests a causal explanation for the present phenomenon.

In functional analysis one is faced with the problem of who's intention to take into account in the manifest functions. Our point of departure is the objective and formally defined consequences of the P.C. Thus, we deal with the charter embodied in the P.C. agreement, which clearly states the functions of the P.C. in the organizational production subsystem, and its relation to other subsystems in the organization. Therefore we distinguish between normative patterns of behavior, established to achieve the P.C.'s desired consequences, and actual patterns of behavior. The distinction between manifest and latent function is based upon the study of the differences between normative and actual behavior and the consequences of both types of behavior. Individual intentions and motives are included at the end of this paper, but they are not to be confused with the objective description of the P.C. or with the evaluation of the function fulfilled by the P.C.

Another basic problem of functional analysis is the accusation of tautological or teleological reasoning. Following Stinchcombe (1968) we use the "reverse causal chain". The interpretation of the latent function of the P.C. is based on the assertion that the system's needs exist prior to the establishment of the P.C. in the enterprise. Thus we do not propose that the P.C. is maintained to fulfill this particular system's needs. However, we suggest that in the present context of the organization, these needs are met by the P.C. This argument states that the cause is different from the consequence (Turner, 1974).

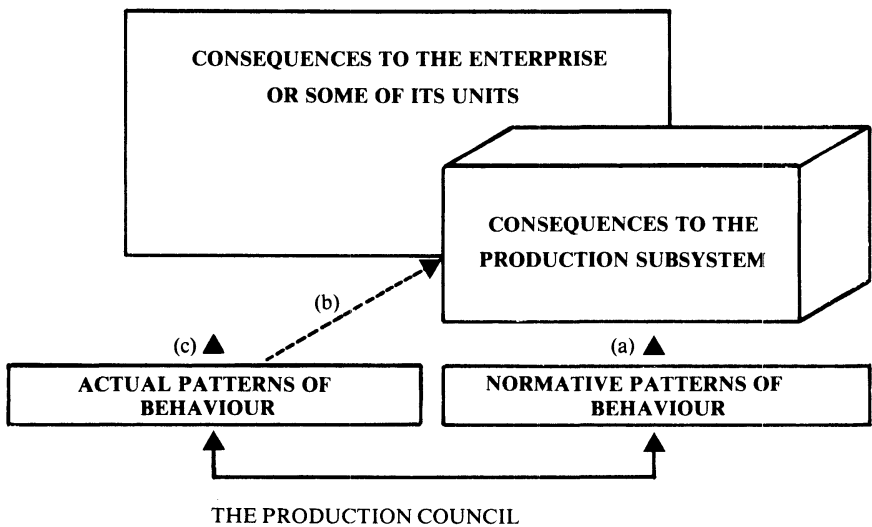
### **THE MANIFEST FUNCTION PROPOSITION**

In this part of the paper we deal with three key variables: the pattern of representation, the pattern of autonomy and the pattern of performance. Each pattern is studied according to the proposition derived from the model (Figure 1); the actual behavior of the P.C. is compared with the expected normative behavior, assuming that the manifest function is causally related to normative patterns of behavior.



The patterns's analysis is a qualitative one. Although it is possible to provide the same functional analysis in quantitative terms, a descriptive mode of representation serves our aim better than a quantitative one since the former eliminates the need to treat many, sometimes private results, while its procedures are based on the model concepts and "are readily open to critical scrutiny" (Merton, 1976, p. 212). We begin by presenting the normative patterns for each variable as stated by the P.C. Agreement, and test the actual patterns accordingly. The analysis is based upon a gross comparison between normative and actual patterns of behavior, and intends to assess the 'deviation' of actual from normative behavior. It is already noted that the differences between normative and actual patterns indicate that the manifest function is not maintained.

**FIGURE 1**  
The functional model for the P.C.



Legend:

- a) Causal design relationships between patterns of behaviour and consequences in the production subsystem.
- b) Causal non-design relationships between patterns of behaviour and consequences in the production subsystem.
- c) Causal non-design nonintended relationships between patterns of behaviour and consequences in the system as a whole, excluding the production subsystem.

**Variable A: The pattern of representation**

## THE NORMATIVE PATTERN

The standard of representation in the P.C. is formulated in terms of *election*<sup>12</sup> of the representative for one year time and *substitution* of two-thirds of the representatives each year. Each party in the enterprise elect its own representatives in the P.C. in "...direct and personal election" (Agreement, 1967, p. 10). Thus one expects to find that first, the P.C. is an elected body and second that people serve in the P.C. for a limited period — not more than two years (two terms).<sup>13</sup>

## THE ACTUAL PATTERN

When we examine the actual behavior in the P.C. with respect to the pattern of representation, we find that most of the workers representatives (75%) were nominated by the workers committee in the enterprise. This result is obtained by recoding each member in the P.C. by the way he was 'elected' to the council (n=97). Furthermore, when we measure each members length of service on the P.C., we found that the majority of both groups (worker and management) serve more than the standard.

TABLE 1

Distribution of P.C. Members by Years in Office for Both Parties

<i>Years in the P.C.:</i>	1	2	3	4	5+ <sup>a</sup>
Representatives of:	17	22	24	20	14
workers N	17	20	24	20	16
(n = 97) %	(18)	(20)	(25)	(20)	(17)
management N	9	17	15	40	23
(n = 104) %	(.09)	(16)	(14)	(39)	(22)

<sup>a</sup> The category 5+ includes these people that serve 5 and more years.

<sup>12</sup> The present variable was dealt with mainly for the workers, since by the nature of their status in the enterprise the process of election is relevant to them more than to management. We realized however, that it is also important for management concerning, for instance, 'management prerogative' (CHANDLER, 1964).

<sup>13</sup> Elections and substitutions are intended to maintain the representation of the P.C. (see above). Both terms are clearly specified in the Agreement as elements which are important in obtaining the P.C.'s manifest function (BEN-PORAT, 1973).

Table 1 illustrates the actual situation in the P.C. at the time of the research study. It appears that if one tests the standard pattern in comparison to the actual pattern of years in office, the deviation is obvious. Only 39% of the workers' representatives, and 25% of the management representatives serve according to the above mentioned standard. The actual pattern of representation is therefore, that of nomination and non-substitution.

The discrepancy between normative and actual patterns of representation provides the first indication that some non-normative behavior affects the function of the P.C. The rules which are intended to maintain participation through representation are violated by the participants who assume the role for such a long time that the role becomes identified with the particular office holder (see also, Etzioni, 1961). This point is considered here from the point of view of the P.C., rather than the individuals. It is a structural and not an individual dilemma (Merton, 1976, p. 9).

#### **Variable B: The pattern of autonomy**

##### THE NORMATIVE PATTERN

The normative pattern of the P.C. status in the enterprise is that of authority within its jurisdiction "...The Council shall not interfere with the powers of the management of the enterprise or of the workers committee and *vice versa*" (Agreement, 1967, p. 10). This is intended to separate the P.C. from the other formal groups in the enterprise, since the autonomy of the P.C. is seen as an imperative element in its function fulfillment. Autonomy is assessed from this point of view: the interference of the management, of the workers or both in the jurisdiction of the P.C.

##### THE ACTUAL PATTERN

In practice, the autonomy of the P.C. is severely limited. The management and the workers committee interfere with the P.C.'s decision making process, rejecting its decisions and, very often, forcing their particular interests upon the P.C. (see presentation in table 2).

The patterns in table 2 indicate whether the management or the workers committee, or both, force their private or joint interests upon the P.C. These patterns are based on information gathered about the relations between the P.C. and these bodies, with regard to interferences in the P.C.'s decision making process. The actual pattern of behavior is therefore a 'monitoring' pattern, where the activity of the P.C. is controlled by these

TABLE 2

Patterns of Intervention by Management, Workers' Committee and Both (n = 70).

P.C. in numbers	Patterns of intervention <sup>a</sup>		
	Management	Workers committee	Both
31	+	+	+
15	+	+	+
9	+	—	—
6	—	+	—
3	+	—	—
3	—	—	+
2	—	—	—

<sup>a</sup>The sign + indicates that one or more of the following kinds of interference occur: *before* the process starts; in the *middle* of the process and when decision has been *already reached*.

bodies. Evidently, the reference group of the P.C.'s participants (either the workers or the management) is an important factor which, beside its influence upon the P.C.'s autonomy, has an impact upon its performance. The deviation of actual from normative behavior is clearly presented in table 2. The normative pattern should have been “-,-,-”; we found this state for only two out of seventy P.C.s. The autonomy of the P.C. thus appears to be restricted.

### Variable C: The pattern of performance

#### THE NORMATIVE PATTERN

The normative pattern of performance regards the activities which invest the P.C. with executive power ('the jurisdiction') "...The Council shall devote attention to: Production... Saving manpower... Rational arrangements of the machinery... Saving raw material... Condition of equipment... Training... Productivity" (Agreement, 1967, pp. 5-9). These activities detail the main function of the P.C. in the production subsystem of the enterprise. Thus, their implementation is a measure of whether or not the P.C. maintains its manifest function. Accordingly, the Agreement specifies the P.C. executive power, spelling out the tasks of the Council. We have to dwell in this point before progressing to the actual pattern since the normative pattern in this case has to be set up in measurable terms in order to make a valid comparison between the normative and the actual pattern.

According to the P.C.'s Agreement, the Council is expected to perform a set of tasks regarding its manifest function. All together, the Agreement cites 17 different issues, divided into two categories: those issues which the P.C. has an executive and sole power, and those receiving information but

not making decisions. Eight out of the 17 issues are classified by the Agreement as Power executive ones and we use these issues to define the normative pattern: I. "norm and premium"; II. "quality of product"; III. "efficiency suggestions"; IV. "individual level of output"; V. "training"; VI. "administration"; VII "work disputes" and VIII. "saving".<sup>14</sup>

#### THE ACTUAL PATTERN

In order to determine the actual activity of the P.C. one would have to determine the frequency with which the P.C. treats each issue, ranking them from most to least frequent. The Agreement, however, does not specify order or frequency for any of the issues. Nevertheless, we can derive a comparative standard for the context of the P.C.: the P.C. should treat each of the above eight issues at least once per year. This is slightly biased standard since a one year term might be unsatisfactory; however, as we shall see later, the suggested standard appears to be valid and reliable.

For each P.C. we checked the above eight issues. Information was obtained by a particular question inserted in the questionnaire (see above) which asked whether, during the year of the present research, the P.C. either discussed and/or made a decision regarding each issue. The results are presented in table 3.

**TABLE 3**  
Issues 'Treated' and 'Decided' by the P.C. During one Year Time.

<i>Issues<sup>a</sup></i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>
% of P.C. 'Treated' (n = 70)	95	87	77	50	18	26	06	26
% of P.C. <sup>b</sup> 'Decided' (n = 70)	72	32	18	50	10	9	—	9

<sup>a</sup> See text for the issues names.

<sup>b</sup> Percentage was calculated on the basis of absolute numbers of the first row.

<sup>14</sup> Although the items appear in abridged form, each item is related to the function of the P.C. Therefore, "work dispute" means disagreements concerning time and motion study, "administration" is concerned with production arrangements, and so on.

The results shown in table 3 lead us to suggest that the frequency with which the P.C. tends to treat different issues varies greatly and that many of the P.C.'s did not treat several of the issues even once during the term of one year. It appears that the short time span for measurement biased the present results in favour of issues that were expected to be salient (for instance "norms and premiums"). A check of the issue treatment in the oldest P.C.'s (at least 10 years old ( $n=23$ )) over the last 10 years proved that the present actual pattern is valid, i.e., it represents the pattern of activity of the P.C. The actual pattern of behavior deviates from the normative pattern. It appears that the P.C. invests much of its resources in one issue: "norms and premiums". It should be noted here that this issue is concerned with work quotas (norms) and incentive payments (premium). This result indicates the actual pattern of the P.C.'s behavior. However, the meaning of this issue will be clarified when we deal with the latent function interpretation.

The results of the normative-actual behavior pattern comparison indicate that actual patterns of behavior are favored and normative patterns of behavior tend to be ignored. The functional analysis reveals particular patterns of behavior which are different from the normative ones. In light of the causal explanation suggested at the outset of the present study (see figure 1), the present results should be considered as evidence that the manifest function of the P.C. does not explain its function in the enterprise. Since we proposed that normative patterns of behavior are causally related to its manifest function it follows that the manifest function is accomplished only when the actual behavior follows the normative patterns. Nevertheless, the logic of the functional explanation suggests an alternative explanation in favor of the manifest function.

### **The Alternative Structure Proposition**

The comparison between normative and actual pattern suggests that the manifest function is an inadequate explanation. However, since we are using the functional strategy, we may argue that although actual patterns are different from the normative ones, the P.C. is still explained by its manifest function. We propose that desired consequences are accomplished by alternative structures or patterns of behavior which in practice fulfill the original function (Merton, 1957; Cole, 1973). This argument should be considered before any conclusion which rejects the manifest function explanation of the P.C. is accepted.

In order to test the proposition that the desired consequences are accomplished by different structures, namely by the actual patterns revealed in the present study, we should look at the desired consequences.

Having determined the actual patterns of behavior, the question becomes whether consequences within the production subsystem are maintained. This means that some criterion of consequence evaluation is needed. Unfortunately, objective-quantitative criteria such as the level of productivity were not available; thus, consequences had to be evaluated by qualitative criteria.

Each P.C. employed a production engineer as a consultant on professional matters such as "time and motion study". Having served with the P.C. for a number of years, the engineer's judgment was considered valid. Using a standard form, we asked a group of seventy production engineers to evaluate the contribution of the P.C. to three subsystems in the enterprise: the production system, the labour relations system and the welfare system.<sup>15</sup> The scores are on a 5-point scale, from "not at all" to "very much". By this procedure we obtain an evaluation score for each subsystem, ranging from a minimum score of 1 ("not at all") to maximum score of 5 ("very much"). Summing up the engineers rating for each subsystem we obtain the following results: the P.C.'s contribution to the labour relations subsystem is considered the greatest (median score = 3.9) followed by the contribution to the welfare subsystem (median score = 3.4); the lowest score is found concerning the P.C.'s contribution to the production system (median score = 1.8). This finding points to the relatively small contribution of the P.C. to the subsystem in which it is supposed to function. This, however, is only partially indicative of the validity of the alternative structure proposition, since the results might be influenced by the comparative nature of the question.

A direct indicator of the P.C.'s contribution to the production subsystem was also used. This indicator consists of three questions regarding the activities of the P.C.: a) determining proper norms of work; b) determining the extent of these norms in the enterprise and c) revision of old norms. The results obtained seem more favourable regarding the P.C.'s contribution to the production system, but the contribution is still less than that expected according to the present proposition. The percentages of the engineers which indicated a positive contribution are:<sup>16</sup> 43%; 53% and 40%, to questions a, b and c, respectively. This and the former results permit rejection of the alternative structure proposition. The actual patterns of behavior do not seem to fulfill the manifest function.

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<sup>15</sup> Subsystems were pre-defined by their particular roles in the enterprise (see DUNLOP, 1958). The presentation of these subsystems to the engineers was done by particular questions.

<sup>16</sup> It is worth noting that each engineer represents one P.C. Thus, the results can be considered as referring to the P.C.'s and not to the engineer's group.

We have suggested the causal explanation between patterns of behavior and consequences as a test for the manifest function, stating that either the normative patterns or an alternative structure, reflected by the actual patterns, explain the manifest function. Evidently, neither the normative patterns nor the actual ones explain the manifest function. Moreover, when we consider the consequences which are assumed to be caused by the P.C., it appears that consequences should be pursued within subsystems other than the production one.

### **The Latent Function Proposition**

The interpretation of the study's findings until now followed the causal relationships between structure and functions. We proposed that the manifest function of the P.C. is connected to the production subsystem in the enterprise and that normative patterns of behavior were established by the P.C.'s Agreement in order to connect structure and desired ends. Although we reject the manifest function as an adequate explanation of the P.C., we suggest that we can provide an interpretation of the present phenomenon which explains its continued existence.<sup>17</sup> For this purpose we suggest the latent function proposition (Merton, 1968).

The latent function proposition states that the P.C. provides the parties in an enterprise with a mechanism through which collective bargaining on day to day issues is maintained in the enterprise level (see also Dunn, 1972).

In order to test the latent function proposition and to suggest it as the proper interpretation of the P.C., we continue to follow the logic of functional analysis. No new or different evidence is presented, but we suggest an extension of the frame of reference by which we established the functional-causal explanation.

The frame of reference which is utilized for the present proposition is the collective bargaining process, expanded to include the participative model of decision making (Blumberg, 1968), thus extending the range for functional interpretation.

The collective bargaining frame of reference changes the scope of the phenomenon by two measures. First, it links the phenomenon of the P.C. to the industrial system, regarding the individual enterprise as unit of this system, and second, it brings into consideration norms of negotiation bet-

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<sup>17</sup> The functional school, whether 'orthodox' or 'reformist', agrees that a social phenomenon which repeats itself has a certain function in the system or some of its units (STINCHCOMBE, 1968).



ween interest groups. In system terms, the range is extended to the macro level of the industrial system (in Israel). Although we have no intention of dealing with this level, it is being considered here as the "external" part of the present explanation, which is necessary in order to establish the latent function proposition.

A full scale description of the collective bargaining system in Israel is beyond the scope of this paper. However, since our interpretation of the P.C. is dependent upon this system, we provide a brief description.<sup>18</sup>

The main structural characteristic of the collective bargaining system in Israel is its high centralization. The process is controlled by the senior parties in the system: the Histadruth and the Manufacturers Association, sometimes with the involvement of the government (these parties determine content and application of the collective Agreement). Usually, the process begins at the top of the industrial system and ends there, or at one level below, where the respective national union takes some part in the process. Most importantly, the parties at the enterprise level (i.e., the management and the worker's committee) have no formal part in this process and, except in a particular situation or on very specific issues, are bound by the collective agreement. They are supposed to implement the collective agreement but not to participate in its formulation. Thus, the "external" system (regarding the enterprise) binds the parties within the enterprise, leaving them with very limited influence for the satisfaction of their specific needs. Within this structure, we can explain the P.C. by its latent function in the enterprise: meeting the needs of the parties to be involved in the bargaining process. The P.C. is a 'bargaining mechanism' for these parties at the enterprise level.

The present study shows that the Patterns of Representation, Autonomy and Performance, where the actual situation is different from the normative patterns, are likely to have a functional explanation in causal terms of consequences. These patterns are caused by the latent function of the P.C., thus explaining its continued existence.

The latent function of the P.C., which is revealed by the present analysis is, in functional terms, an objective function, i.e., a function related to the system and not to the individual participants in this system. Yet, certain motives of the participants in the enterprise explain why the actual patterns of behavior are continuously maintained. Within the context of our interpretation, we distinguish three such motives:

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<sup>18</sup> This description is intended to provide the reader with an outline of this system. For a functional analysis of the Israeli industrial system see, TAB and GOLDFARBE (1972).

- a) Economic motive — the P.C. provides the workers' party with a mechanism to achieve economic increments beyond the limits which the Collective Agreement set. The fact that the P.C. invests most of its resources in the issue of "norm and premium" is due to its effect on individual income.
- b) The monitoring motive — the P.C. provides the workers' party with a method of participating in the control of the enterprise processes. It also provides the management party with an instrument for partial control of the effort-reward relationship.
- c) The tension reduction motive — the P.C. contributes to the reduction of tension in the enterprise, since it provides the parties with a legitimate process for rewards allocation in which the parties have much influence.

We have suggested that the P.C.'s existence is explained by its latent function in the enterprise system. As long as the P.C. maintains this function, and continues to contribute to motive accomplishment, the parties will continue to maintain the P.C., regardless of its manifest function. We are, however, dealing with two levels of function accomplishment: the system level and the individual level. Although it is important to distinguish between the objective function of the phenomenon and the subjective motives of the participants, it is also important to specify the link between the two (Merton, 1957). Therefore, we suggest that, considering the latent function for the enterprise system and the individuals, the P.C. maintains the adjustment of the parties to the enterprise by satisfying certain important needs and provides a legitimate process for satisfying these needs. The participants, though they use the same "rules of the game" satisfy different aims.

## SUMMARY AND CONCLUSIONS

When we began the present study, we proposed the manifest function of the P.C. and treated it within the participative frame of reference. Following a causal-functional explanation, we explained the P.C. by the consequences of its existence within the production subsystem. When analyzing the actual and normative patterns of behavior, we found that the former did not correspond to the latter. Moreover, the finding that the consequences did not fit into the production subsystem shows that the alternative structure proposition is not applicable. Therefore, we argued that "A

functional explanation in which the consequences serve as a cause is *not*<sup>19</sup> suggested'' (Stinchcombe, 1968, p. 80). Instead, we suggested the latent function proposition as an adequate interpretation of the P.C.'s function in the enterprise. To support this proposal, we used the same data but a different interpretative framework which extended the scope of functional explanation.

While interpreting the P.C.'s function as a bargaining mechanism, we suggested a causal explanation, regarding the system and the relevant parties. The concept of adjustment provides the functional link for both levels: the parties (and their respective individuals) and the enterprise system. It is worth noting that although the parties which are involved directly within the P.C. consist of particular representatives only, the latent function of the P.C. has an effect upon the non-participants as well, considering their economic motive. The individual level, however, is not discussed in the present paper, since our interest is primarily with the system level; thus, the proposition of the latent function was formulated. The present interpretation might be expanded to explain the individual—P.C. relationships.

The present study points to the advantages of an unorthodox functional analysis. An interpretation of a social phenomenon which accounts for the latent function adds information which contributes to the understanding of the phenomenon. Based on the latent function interpretation we suggest that although the P.C. does not contribute much to the production subsystem, its contribution to the enterprise is valuable.

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<sup>19</sup> Author's addition.

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## La fonction latente du conseil de production L'expérience d'Israël

Par définition, une organisation possède des statuts qui déterminent sa structure, son fonctionnement, ses buts ou objectifs. En théorie, si les statuts sont rationnels et si l'organisation contrôle l'issue de certaines variables, elle peut atteindre sa fin. En pratique, cependant, on découvre souvent qu'une organisation s'éloignera de ses buts pour remplir une fonction qu'elle ne recherche pas. Il est souhaitable, en conséquence, de chercher à expliquer une pareille déviation afin de préciser la fonction de l'organisation.

Dans le présent article, nous présentons une analyse fonctionnelle du conseil de production dans l'industrie en Israël. Le conseil de production est un organisme formé d'un nombre égal de représentants des travailleurs et des employeurs. Deux représentants sont nommés, l'un par le conseil des ouvriers (un organisme électif qui

représente les travailleurs dans l'entreprise en matière de relations professionnelles) et l'autre, par la direction. Les autres membres sont élus par le groupe qu'ils représentent.

Les fonctions réglementaires du conseil de production sont les suivantes: assurer la coopération entre les salariés et la direction de l'entreprise en vue de trouver les voies et moyens nécessaires au développement des entreprises industrielles; accroître l'efficacité et hausser la productivité; établir des méthodes de travail adéquates et les rémunérations au rendement. La fin explicite de l'accord relatif au conseil de production est de séparer nettement la compétence du conseil de production du régime de négociations collectives entre la direction et le conseil des ouvriers au sein de l'entreprise. Les procédés par lesquels le conseil de production exerce son activité sont établis dans cet accord. Les décisions du conseil de production lient la direction et le conseil des ouvriers, ce qui laisse les groupes sans beaucoup d'influence directe formelle sur le conseil de production.

En vue d'examiner le conseil de production dans l'industrie en Israël, nous avons utilisé la théorie fonctionnelle de Merton (1957) et de Stinchcombe (1968). Nous avons considéré ensuite trois propositions: a) la proposition de la fonction réglementaire qui rattache les modèles de comportement réels et normaux à cette fonction, selon l'accord formel du conseil de production; b) une proposition structurelle différente qui énonce que, même si les modèles réels diffèrent des modèles normaux, le conseil de production s'explique encore par sa fonction authentique; c) la proposition de fonction latente qui énonce que le conseil fournit aux parties dans l'entreprise une fonction différente de celle qui est manifestée dans les statuts.

Les trois propositions ont été examinées une à une. La proposition de fonction réglementaire est à rejeter comme explication valable du conseil de production. La deuxième proposition n'apparaît pas être une explication alternative et elle est aussi à rejeter. Les deux propositions ont été analysées à partir de données recueillies auprès d'un échantillon représentatif de 201 membres de conseils de production dans l'industrie en Israël.

La fonction latente semble fournir une explication valable du conseil de production dans l'entreprise. Touchant les limites imposées aux parties dans l'entreprise par la convention collective nationale dans l'industrie en Israël, le conseil répond aux besoins des parties dans l'entreprise d'être impliquées dans le processus de négociation. Le conseil de production est un mécanisme de négociations pour ces parties. Aussi longtemps que le conseil de production conserve cette fonction et continue à contribuer à de telles réalisations, les parties continueront à soutenir le conseil de production, quelle que soit sa fonction réglementaire.