Innovation by Negotiation: Case Studies Among British White-Collar Unions

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Article abstract

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Cite this article

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‘Innovation by negotiation’ summarizes the general policy stance of British trade unions towards the application of microelectronic technology. From the programs and policy statements of virtually every large union, a common theme can be identified of accepting the economic necessity of embracing the new technologies, while seeking to control their implementation. The formal focus of union policy has been on the demand for ‘new technology agreements’, designed to establish the employers’ procedural commitment to the negotiation of change, and the sharing of the derived benefits between employers and employees.

The stated objectives of the unions were ambitious: to extend the limits of collective bargaining into strategic areas of management decision-making. New technology agreements should provide the vehicle for a comprehensive joint regulation of the process of technical change; all change was to be by agreement, full information disclosure should take place, unions should be involved in systems design, and joint review procedures should be established. Additionally, there should be substantive agreements to protect jobs, reduce working time, provide retraining and strict health safeguards. The aspiration was for agreements to be «sufficiently clear, comprehensive and accessible to allow the process of technical change to take place continuously and beneficially» (TUC, 1979).

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It is generally accepted, however, that actual practice has diverged very substantially from aspiration. The survey evidence of Rathkey et al. (1982), Williams and Steward (1985) and Hillage et al. (1986) tends strongly to the common conclusion that, with or without new technology agreements, British unions have exercised only very modest influence on new technology innovations. Instead of an enhanced ability or desire to control the technology, the response has been adaptive and accommodative, focusing on the defence of existing jobs and on the health aspects of new equipment. In particular, it seems that British unions have failed to tackle the underlying issues of job design, work organization and quality of work that might have allowed them to counterpoise employer proposals with their own vision of new technology applications (Levie et al., 1984; Williams and Steward, 1984).

Despite the apparent unanimity of the survey evidence, a rather more positive perspective on the capacity of unions to exert influence on technological changes, emerges from some more detailed case studies that have been carried out in the past few years. Rose and Jones (in Knights et al., 1985) in a series of six case studies, found substantial variations in the capacity of unions at plant level to resist management attempts to reorganize work and to bargain for non-pecuniary concessions in return for the introduction of new technology and other forms of flexibility. Their findings are, in an important sense, the obverse of the commonly accepted view that unions have continued to bargain over new technology in the traditional style. Rose and Jones also found management operating within the traditions of past industrial relations practices. Rather than using the recession and unions' lack of initiative in response to new technologies as a signal for an assault on work organization, managements were «still prepared, indeed often deem it necessary, to elicit co-operation from unions with differing degrees of consultation and participation in the implementation of change» (1985, p. 99). Thus traditional forms of sectional and particularistic bargaining could achieve significant improvements in job content, gradings, training and job security.

An «alternative» perspective on unions' ability to defend their members' interests in the introduction of new technology might then involve a downwards revision of the ambitious «targets» built into union policy statements and a closer look at the practice of office and technical unionism where incremental and often small-scale changes are taking place. Research in five white-collar environments strengthens the findings of Rose and Jones concerning manual workers. (Research by previous colleagues in another eight manual worker environments also supports this perspective (Levie et al., 1984), but these cases are not discussed in this paper). In none of these cases had the introduction of new technologies caused a significant
departure from past industrial relations practices. Instead, technical change was handled in «traditional» ways, with considerable success for both managements and unions, suggesting that the apparent lack of opposition to new technology experienced by managements should not be taken automatically to imply union acquiescence in management plans.

The five cases covered a range of production and service environments and workplace size. They ranged from a specialist metals research organization with less than 100 white-collar employees and a textile company producing blankets with 450 manual and 78 white-collar workers, to a group of modern telecommunications exchanges with over 400 technicians, the central administrative organization of an automotive parts producer with some 1,000 white-collar workers, and 2,500 white-collar employees in local government. The environments were selected primarily to reflect a mix of occupational and organizational characteristics and because they represented, for the unions concerned, well-organized workforces with good track records in workplace bargaining. They were studied between April 1983 and November 1986.

In all the case studies a variety of techniques was employed: interviews with union officials, representatives and managers; observation of work and union situations; and the analysis of a wide range of union and management documents. Approximately three months were devoted to the first stage of research in each of the case studies. During these three months of intensive research an attempt was made to become as fully aware as possible of the organization of work within the companies and the industrial relations processes as they affected white-collar workers. Contacts were not, however, terminated at the end of this period. Return visits were made two years after the detailed research had been completed in order to assess changes in the workplace. About one month was spent on these return visits in each case study.

Detailed accounts of the case studies cannot, of course, be provided here and much of the detail would in any event not be relevant to the argument of this paper. (A full account of this research is presented in Smith, 1987.) This is that the principle factor affecting the capacity of workers to influence the introduction of new technologies was the pattern of union-management relationships built up in the decade of bargaining experience prior to the current period of technical innovation. The existence or absence of a new technology agreement, and the precise terms of an agreement, were found to be less important in practice than the customs and understandings with which key negotiators on either side approached the bargaining issues involved.
To illustrate this proposition, the sample can be subdivided into two
groups: three cases of «co-operative» industrial relations traditions and two
cases of «conflictual» past relationships. The «co-operative» group was
characterized by a history of stable inter-union and management-union
relationships, some form of consultative system alongside grievance and
bargaining machinery and considerable autonomy in industrial relations
from «external» management and union involvement. Beyond these com-
mon basic elements, the three employing organizations varied widely in
other important respects. One had suffered a very large reduction in
employment between 1980 and the date of the research; the others had
experienced only minor employment reductions. The technology used in
these three enterprises varied widely, from transmission equipment incor-
porating advanced microelectronic technology to the conventional design
and administrative equipment of the «old technology» office. As will be
seen below, this group of enterprises also varied widely in the scale of their
experiences with new technology; one had gone through systematic and ma-
JOR changes, the others had experienced only piecemeal and minor changes.
In every case, however, the introduction of new technology had been
handled in a way which permitted a significant role for local union represen-
tation and which produced outcomes that were clearly marked by union
influence.

The «conflictual» cases also displayed substantial internal heterogenei-
ty in respect of product, technology, size, exposure to competitive pressure
and labour force composition. Their common feature was a lengthy history
of mutual antagonism between unions and management. Inter-union rela-
tionships in these enterprises also tended to be tense and occasionally
hostile; this would typically involve manual/white-collar union tensions.
This strand of mutual antagonism did not entail overt industrial conflict.
The feelings of antagonism were reflected in dismissible or aggressive
statements about management-union behaviour, frequent use of the
grievances and disputes machinery, little or no consultative machinery and
constant disagreements about union rights (for example, on time off or on
health and safety matters), and the «style» of management. This pattern of
mutual distrust and antagonism was reflected in the handling of technical
innovation. While the scale of such innovation varied, the common themes
(between the two cases) were the attempt to minimize union influence and
an unwillingness to consider alternative outcomes to those proposed by
management. The following sections review the broad pattern of bargaining
relationships which emerged from these studies and propose a number of
reasons for the variance between this evidence.
CO-OPERATIVE MANAGEMENT-UNION RELATIONS

The formal structures of negotiation and consultation in the enterprises in the «co-operative» group were, of course, very varied. The common feature, however, as indicated earlier, was the existence of a reasonably long-standing consultative system or body, alongside the disputes and bargaining machinery. Most of these systems dated from the early or mid-1970s. In telecommunications, for example, there was a quarterly joint consultative committee at which the four senior union representatives met the district manager to discuss company strategy and financial position. In local government, a monthly council meeting brought together all six white-collar senior representatives and three senior managers for a general information exchange. In practice, these sessions had evolved over the years into wide-ranging «predictive bargaining» meetings, in which both sides floated ideas about future developments on a «without prejudice» basis. In the smaller metals research organization, a formal information agreement led to monthly consultative meetings on the organization’s development and planning objectives.

Rather than extend this set of illustrative descriptions, the question of effectiveness should be addressed. What did these arrangements actually mean in practice? Were the union representatives able to use them in the interests of their members, or were they simply talking shops in which the managements were able to persuade the representatives to see things their way? Generalized answers to these questions are difficult, since the range of experience is wide. Nevertheless, interviews conducted with both managements and union representatives produced strongly positive views as to the value of their information and consultation arrangements during the introduction of new technology in their enterprises. Three examples will illustrate this.

In telecommunications, technical change was part of the on-going development of a modernization policy over the past decade. Modernization could well generate fear of the future and insecurity among employees who might face retraining and redeployment and the acquisition of new skills, if not redundancy. Ignorance of the precise effects of the modernization plans and of their impact in different parts of the organization removed the predictability that was a major basis of mutual trust built up between management and unions. The challenge to the monopoly, which subsequently led to a weakening of the statutory position of the telecommunications business, was further fostering a climate of insecurity about the future.
Unsurprisingly, implementation of the new strategy was not a smooth process. It weakened the material underpinnings of employees' commitment to the employing organization. Traditional skills were being called into question, job prospects became more uncertain, joint control over large areas of work organization was being subjected to managerial scrutiny as management moved to reassert its prerogatives. The union's initial objectives were to guarantee no compulsory redundancies or reductions in skill levels; in short, the traditional defensive reactions of shopfloor organization. The management, however, as well as taking the information and consultation process seriously, was also anxious to involve the workforce fully in the changes. Consequently, they established a series of working groups (with one of the union representatives always present) in which modernization was discussed in great detail. Both representatives and management agreed that their ideas and approaches to the new systems changed radically as a consequence of these group discussions. The representatives pressed increasingly for a revision of job descriptions which straddled the traditional technicians' division of labour, and the management began to take retraining increasingly seriously. The outcomes was that the union was presented with what it wished: means of increasing the skill of more routine grades. Retraining for technicians led to a concentration of skills which were primarily computer-related: the understanding of control, production and mechanical systems; logic, systems and software skills; and general data processing awareness. At the time of the research there had been no compulsory redundancies and management admitted that this concession to the union meant that the innovative reorganization of work was taking longer to achieve than they would have wished.

A second example is the local authority responsible for services such as education, highways, libraries and personal social services employing almost 2,500 white-collar employees. Technical change had been more evolutionary and piecemeal than in the previous case, but, here too, changes were introduced via an elaborate and multi-faceted system of consultation and negotiation. From 1979 to 1984, there had been a gradual shift towards computers and related sophisticated information retrieval systems. Throughout the process, detailed information had been provided on the nature of the new equipment and new working practices were elaborated in a series of meetings involving the employees concerned and a joint policy committee of union and management representatives. Management claimed that the precise form of work reorganization had been so much influenced by the consultation/discussion process that it was impossible to say how far it differed from what might have emerged without consultation. Union representatives considered that they had strongly influenced the layout of offices, job allocations and the reorganization of the technicians' maintenance functions to involve «multiskilling» and task flexibility.
A third, very simple, illustration comes from the metals research organization. This small specialist company wanted to introduce word processing into its clerical/secretarial functions; some 30 employees were involved. The company had no clear idea of the type of system that they should choose, nor what the precise benefits might be. From the outset, they involved the union representative in the various presentations by equipment sales-people and asked her to advise on the «best» way of changing over to word processing. On advice from union officers, the representative drew up and agreed a new technology agreement which incorporated a range of safeguards on both health and safety, and job design. The final outcome was a system incorporating union «best practice» advice, although without any substantive concessions on pay and hours.

To summarize broadly from these examples, two conclusions can be drawn. Firstly, new technologies obviously emerge into established bargaining environments. Since the early 1970s, there has been increased interest in linking bargaining with information and consultation procedures (Hawes and Brookes, 1980, pp. 333-361; but see also McInnes, 1985). Thus even where no formal information disclosure agreement exists (as in the above cases) informal assumptions and modes of behaviour have developed which put a premium on good information flows, and a consultative/participative style of management. It is completely unremarkable in this type of climate for new technology to be handled in the same way, particularly where its introduction is on a fairly gradual and piecemeal basis.

Secondly, the consequence of a relatively relaxed and mutually non-antagonistic industrial relations environment, coupled with good information flows and often quite elaborate consultation systems, is that the process of debate on new technology can lead to a wide degree of agreement. It is then very difficult to ascribe the outcome to specifically management or union objectives. The evidence of the case studies was that management proposed, but that consultation disposed.

Despite a generally positive evaluation of the ability of the unions in these three cases to use information and consultation rights to further employee interests, two qualifications should be introduced here for further discussion below. It will be clear from the examples presented above that to a very important degree, the systems of information and consultation were management sponsored. That is, they formed part of a gradually evolving management «style» in the industrial relations and personnel sphere. For the employing organizations studied here, the «sophisticated modern» style of management had become a well established feature of boardroom policy (Bain, 1983, p. 113). This was frequently reinforced by the experiences of the recession and the awareness of the scale of changes that were likely to
result from new technology. Rather than abandon their approach in a period of stress, managements increased their emphasis on «taking the workforce along with them». The managements in this sample were committed to a genuine consultative style because they saw it as in their interests and because their experience of this style had been positive in the past. This leads to the second observation: none of the local organizations studied here had challenged management's right to set the parameters of the debate on new technology, or posed clear-cut alternatives to management's proposals. While the negotiation and consultation process certainly modified the terms of implementation, the outcomes were all within the bounds of managerially defined «acceptability».

CONFLICTUAL MANAGEMENT-UNION RELATIONS

The two enterprises categorized as exhibiting a «confictual» style of industrial relations had had markedly different experiences in the introduction of new technology. The common element in the development of industrial relations in these firms was an oscillation between «constitutionalist» and «standard modern» approaches, reflecting «complex and shifting blends of unitary and pluralistic perspectives» (Fox, 1974, p. 308; Bain, 1983, pp. 115-116). The textile company producing blankets with over 500 workers was typical of this style of relationship. For both manual and white-collar sections in the union, the organization in the plant was well-resourced with office, telephone and flexible «time off» procedures. Management was organized in a relatively rigid hierarchical and bureaucratic fashion, and clung firmly to the notion of managerial prerogatives and the need to defend them from what was seen as an aggressive union continually seeking to encroach on their rights. All formal management-union contact was within the grievances and disputes machinery; informal conversations and telephone contact tended to relate to issues that had already gone into the machinery. There was no forum for employee and management representatives to meet regularly to discuss general company policy and future plans and developments. They would grudgingly accept each other's legitimacy, but lacked the mutual respect and trust needed to advance beyond the conflictual, distributive aspect of collective bargaining. Management criticized the representatives for conveying partial and biased information about negotiations to their members, thereby not doing justice to the firm's case. The representatives criticized management vigorously for failing to provide information, for distrusting the union, and for not seeking to stimulate union or employee input to company decisions.
This pattern of mistrust and hostility was exemplified by the introduction of a new production facility site using computer control and associated changes in machine manning, the process of handling orders and plant layout in the older buildings on the site. There was no consultation on the design of the new facility, nor on the type of jobs to be created in it. Negotiations on the changes in the existing buildings took place over several months against a background of an assurance that staff reductions would be handled by natural wastage and early retirements. At the end of this period, with agreement still some way off, the company declared 50 redundancies. Not surprisingly, the union representatives felt that they had failed to influence management. But despite the apparent strength of the shopfloor organization, they feared that a call for industrial action would not be popular and well supported. The 50 redundancies (29 manual and 21 white-collar) were obtained voluntarily and the new facility was opened on management's terms.

In similar vein, a complete on-line computer system to control stocks, ordering, invoicing and warehousing was installed in the company producing automotive parts, with merely perfunctory consultation well after all the important decisions had been taken. This too was a well organized plant, but with a long history of weak union representation and hawkish management. They considered that the organizational weakness of the union, despite strength in numbers, justified their «arms length» approach. A new technology agreement had been signed in this plant, but when it came to the implementation of the system, management claimed that they could not be bound by the strict terms of an agreement signed three years earlier in a different economic climate. The company ran a series of «propaganda» sessions about the new system, but undertook no consultation or bargaining over the precise implications of the system for individual jobs. The reduced staffing levels associated with the new equipment were achieved voluntarily, thus keeping the company within the terms of the new technology agreement and, in the view of the union representatives, removing the only issue that might have stimulated concerted opposition among the workforce.

There are, thus, marked contrasts between these two cases. But the common features are striking: high levels of union density but without a strong bargaining relationship; mutual distrust and often contempt between management and union representatives; no joint consultative forum, or established system of management-union-employee communications. In both plants managements were consciously influenced in their dealings with the unions over new technology by the belief that the economic climate had weakened employee willingness to resist and that they should exploit this situation to achieve objectives quickly and effectively. Compared to the
«co-operative» enterprises, technical change in this group was implemented quickly and with little or no deviation from the planned schedule of change. In both co-operative and conflictual groups, the pre-existing patterns of institutions, styles of interaction and sets of understandings seemed to determine the approach to the introduction of new technology.

CONCLUSION

These case studies were carried out in environments where unions might not have been expected to exercise significant influence on the introduction of new technologies. White-collar (clerical and technical) employees are not generally associated with a history of control struggles. Indeed, with one exception, the enterprises studied were either non-unionized or not in existence as recently as 1965. However, in three of the cases, union influence on work organization following a «new technology» innovation was significant and recognized as such by management. This influence derived, not from the chosen vehicle of the trade union movement, the new technology agreement, although some of these did exist, but from more general industrial relations procedures and understandings that underpinned union-management relationships in these enterprises. These understandings involved a relatively open approach to information provision, albeit after management had defined the general nature of the technology to be installed; a commitment to a variety of consultation procedures, usually involving a blend of union and employee-specific channels; and a personnel/industrial relations philosophy or style which emphasized employee «commitment» to the enterprise. Conversely, the two cases characterized by an absence of information and consultation channels of at least moderate intensity, and a history of management-union antagonism, were unlikely to show significant union influence on new technology-related work organization, even where a formal new technology agreement existed.

In conclusion, three interrelated propositions can be advanced arising out of the evidence presented here and the wider spectrum of evidence on union involvement in the introduction of new technology. Firstly, the case study evidence reflects a growing emphasis on consultation and information procedures over the past decade alongside existing bargaining and grievance procedures. These consultation systems are generally designed to complement and supplement the «distributive» character of collective bargaining, and have become linked in some cases with quite explicit management policies to encourage employee commitment to the enterprise. While these systems are manifestly employer sponsored, it seems clear that if they are to have any credibility, they have to be seen to work effectively. They thus
acquire a dynamic and impetus of their own. While they might have been initiated in a fairly crude attempt to co-opt or manipulate, their operation results in a «virtuous circle» of gains in mutual confidence and more positive attitudes to joint decision-making.

Secondly, in the specific case of new technology, a further factor seems to have been important in reinforcing the willingness to consult and inform unions and employees. The uncertainty which many employers themselves feel about what to do with microprocessor-based technology, and the awareness that a positive attitude from the workforce is probably crucial if new equipment and new processes are to produce positive benefits, have made consultation almost a necessity to get new systems off the ground successfully. As Rose and Jones put it, «managements are still prepared, indeed often deem it necessary to elicit co-operation from union representatives in the implementation of change» (Knights et al., 1985, p. 99).

Thirdly, union-employee influence on work reorganization, through both bargaining and consultative channels, has been limited in its character. Overwhelmingly, union involvement in work reorganization consequential on new technology takes place after the initial planning stages have been carried out by management. Thus while it may be accurate to refer to genuine areas of joint implementation of new technology, this must be understood to imply implementation within the acceptable limits for managements.

While this paper has sought to illustrate the weaknesses of the standard analysis of union effectiveness in the implementation of new technology, it would be naive to ignore the reality that if unions are to move out of an essentially defensive and reactive posture, far greater resources and much greater co-ordination of those resources across unions are necessary. As Thompson and Bannon concluded:

The underlying factor is a failure to translate principles into effective bargaining and organisation at plant and company level. Frequently, general strategies on how to deal with new technology run counter to defensive and reactive practices which unions themselves have fostered or tolerated. This is accentuated by the inability of national union structures to shape their broad perspectives into local bargaining policies appropriate for specific conditions (1985, pp. 131-132).

The failure to do this is not simply a lack of will on the part of the wider organizations. There is the obvious problem of a lack of finance to support such activity. But perhaps more importantly there are other constraints on the unions and limitations on union action. Firstly, the unions' analysis of technical change needs to be altered towards a much stronger commitment to negotiation at an early stage and negotiation over the form of the technology. Secondly, as workplace organizations take a greater role
in bargaining and the issues become more complex, the «servicing» activities required from the wider unions will continue to escalate. Thirdly, and probably most importantly, these two changes cannot deal with the fundamentally long term problem for the unions of encroaching into the managerial prerogative. It is unlikely that extensions of bargaining structures and procedures can adequately deal with strategic issues such as technical change. Effective negotiation for unions over the form of technology, for example, will require full knowledge of company plans and the technical options available to management. There is little chance that this information can be secured without legislation on an extension of industrial democracy. This will require a further shift in emphasis on the part of the unions away from a defensive, reactive role towards a more positive, innovatory one. While a loss of power and influence may force the unions even further back into their negative stance (reactive, economistic and sectionalist), nonetheless the positive reality is that an enhanced collective response has developed on the part of many of those white-collar workers who have been through the experience of technical change.

It is realistic to suppose, on the evidence of this study, that the challenge by white-collar workers and their workplace unions will continue to be made, albeit limited in scope. But the fact that such a collective response, which has been a distinctive feature of British workplace industrial relations for manual workers, has been developed and maintained in a harsh economic and political climate, represents a significant advance in the history of white-collar trade unionism.

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Les syndicats britanniques s’étaient fixés des objectifs ambitieux à la fin des années 1970, soit de négocier des conventions en matière de technologie couvrant un vaste programme de sujets de forme et de fond. Il faut toutefois conclure que peu d’accords spécifiques sur la technologie ont vu le jour et ceux-ci sont bien loin de correspondre à ce qu’on envisageait à l’origine. Non seulement les syndicats n’ont-ils pas réussi à obtenir un contrôle sur le choix de la technologie, sur la conception des tâches et sur l’organisation du travail, mais il y a eu peu, s’il y en a eu, de tentatives valables pour mettre ces sujets à l’ordre du jour des négociations.

Cela signifie-t-il que les syndicats sont incapables d’agir en ce qui a trait à l’implantation des changements technologiques en Grande-Bretagne? Jugées en fonction de critères plus modestes, leurs réalisations ne sont pas un échec. Bien que les syndicats n’aient pas réussi à influencer le choix des technologies, ils ont cherché à en modifier la mise en application et ils ont souvent été en mesure d’en adoucir les conséquences sur les travailleurs.

Selon une série d’études de cas, il semble que l’influence de syndicats locaux d’employés de bureau est souvent considérable et l’un des facteurs principaux à cet égard réside dans la nature des rapports existant entre les employeurs et les syndicats. Là où des relations harmonieuses prévalaient, l’employeur était souvent disposé à faire des concessions en vue d’un consensus. Ainsi, les représentants syndicaux ont pu négocier, au-delà de questions accessoires, de nouveaux aménagements sociaux et techniques et obtenir une modification significative aux projets de départ des employeurs. Par conséquent, ils ont fait des gains, même si, essentiellement, cela n’a signifié au total aucun coût important pour les employeurs. Au contraire, là où conflits et antagonisme caractérisaient les relations du travail, les syndicats ont été incapables d’exercer une influence efficace sur les technologies nouvelles. Les négociations n’y furent que pure forme et superficielles et n’eurent aucun effet sur leur processus d’implantation par les employeurs.