

# WORKING AT RESTRUCTURING WORK IN EUROPE: THE CASE OF TEAM WORKING

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In recent years, there has been much talk of, and experimentation with, new production methodologies and new forms of work organisation like lean production, total quality management and world class manufacturing. Commentators and practitioners alike have stressed the need for significant changes in the way work is organised if European companies are to meet the competitive threat posed by foreign competitors. A key constituent of many of these new work structures is the place accorded to employee involvement and participation particularly in the form of team working. For many commentators the key to achieving competitive advantage is increasingly through the organisation of work; new technologies are more widely available, and it is the manner in which workers' skills and human resources are grouped around these technologies which is crucial. While employers, trade unions and governments have seen the advantage of promoting employee participation for some decades, the prominence and importance attached to team working received a new rigour and vitality with the publication of Womack *et al's* (1990) study of the automobile industry, *The Machine that Changed the World*. In this study, the authors point to a new form of work organisation, called lean production, which has its origins in Japan and is identified as the key element in companies' successful penetration of world markets.

In Ireland, employers have made earnest efforts to reform work practices, and have in doing so challenged many established assumptions and traditions of labour regulation and industrial relations. That significant changes have taken place is unquestionable. New technology has been introduced, traditional job boundaries have been eroded and employers speak eagerly of the benefits to be derived from new work structures, in particular team working and world class manufacturing. None the less, it is generally agreed that while changes in work reorganisation have been widespread, their effect has been modest and confined to a small number of enterprises and employees. On the Continent, however, experimentation with new work structures has a longer history and arguably employers have been more successful in introducing more sophisticated forms of work restructuring. This article falls into four sections. The first outlines the changing motives for introducing new work structures, in particular those relating to team working. The second reviews the evidence of change in work structures in Europe. The third section examines what makes for successful team work. The final part of the paper points to some lessons for practising managers.

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## Changing Contexts, Changing Approaches

At various points in time management has adopted a variety of task participation initiatives to resolve problems encountered in industrial relations and personnel management. In the 1970s, for instance, autonomous work groups were hailed as a key innovation; in the 1980s it was quality circles, and more recently, it has been total quality management, lean production, team working and continuous improvement. Many of the earlier task participation devices were designed primarily to improve the quality of people's working lives. Often the initiative came from trade union and employee demands. In some instances it came from management themselves who feared the alienating and de-humanising effects of fragmented assembly line work.

This concern to improve the quality of working life was more pronounced elsewhere in Europe than in Britain or Ireland. The introduction of autonomous work groups at Volvo's Kalmar plant was probably the most acclaimed attempt to restructure work in Europe. Similar experiments were conducted at Philips in Holland and at Alfa Romeo and Olivetti in Italy. Governments, too, took an interest. In the 1970s, work reorganisation programmes had the active support of the Social Democratic government in Germany and in 1982, the French government introduced legislation which provided for *groupes d'expression* (employee expression groups). By contrast, in Ireland and the UK in the 1960s and 1970s it was more typical for employers to redesign work according to specific efficiency criteria and any movement towards new participative forms of work organisation was almost accidental and rarely informed by theories of the virtues of worker involvement. Those experiments which did take place were more concerned to tinker with individual jobs than to institute a fundamental reorganisation of the structure of work or of employees' responsibilities.

In recent years, there has been a significant increase in European employers' interest in the re-organisation of work. They have now become the key instigators in reassessing the manner in which labour is deployed and motivated and it is their sponsorship of participative work structures which distinguishes this phase of employee participation and work restructuring from previous ones. Another distinction is that where many of the 'older' participation initiatives were designed primarily to improve the quality of people's working lives which in turn would improve organisations' economic performance, the current participation practices are more concerned with enhanced business performance and a changed enterprise culture. Thus, where the main motivation for management in introducing participatory work practices in the past were labour turnover, absenteeism, recruitment and retention, now the principal stimuli include improved quality, flexibility, productivity and optimal use of technology and manpower.

Like many aspects of production management and work organisation, the telling lesson comes from Japan, where an important reason for Japanese competitive advantage, it is claimed, lies in the organisation of production, a vital constituent of which is the greater involvement of employees in their work. They are often organised into

production teams which overcome many of the inefficiencies associated with traditional forms of work organisation.

### **Evidence for Change**

It is difficult to know precisely how extensively team working is practised in Europe. Most commentators are agreed that it is limited in its diffusion, but that employers are certainly looking seriously at the potential team work holds for improving their organisation's performance. In Ireland, a recent study of new production methodologies and team work found that they were more widely diffused than had been anticipated, but there remains many questions as to the coherence and significance of these innovations (Jacobsen 1995). The Price Waterhouse Survey (1992) found that experimentation in the area of job flexibility, quality circles and team building was remarkably low. A recent review of UK evidence suggests that team working is confined to a small number of well-publicised organisations, many of which were established on greenfield sites (Geary 1995). In such instances, management has been aided by the opportunity offered by a slack labour market to recruit, by means of sophisticated recruitment procedures, a young, green workforce. In older, brownfield sites the adoption of team working has, of necessity, been more gradual and tentative. Companies like Ford, BP Chemicals, Rover and Rolls Royce have in recent years successfully negotiated with their unions the introduction of team working. In most cases, it is still too early to assess the significance of these agreements for life on the shop floor.

On the Continent, evidence for the diffusion of team working is equally sparse and of varied quality. A recent attempt to pull this evidence together would suggest that attempts by Continental employers to embrace team working have been notably modest and piecemeal (Frohlich and Pekruhl 1995). One survey, noted by the reviewers, which adopted a very strict definition of group work found that less than 7 per cent of employees in those German enterprises surveyed worked according to group work principles.

It is clear, though, that some German employers, particularly in the car industry, are experimenting with lean manufacturing methods. In 1991, for instance, Opel reached an agreement with the works council to introduce team working. The concept of 'continuous improvement' occupies a key role in this new agreement where it is expected that the "knowledge and experience of workers should be harnessed to improve the process of production, the place of work, the working environment and conditions of work" (quoted in EIRR 1992). Further, a central role is ascribed to increasing employee flexibility together with using team working to improve employees' job satisfaction. Mercedes Benz, too, has introduced lean production techniques at its new plant in Rastatt. Group working is a key ingredient of this new programme and employees, in groups of eight to ten members, are responsible for work allocation, job rotation and making suggestions for the continuous improvement activities; some 'indirect' work tasks have also been adopted.

In France, a recent survey of 3,000 establishments (Coutrot and Parraire 1994) found that French employers were experimenting to a significant degree with new participatory techniques. One-third of establishments claimed to use "multi-disciplinary work groups" or "project groups"; self-regulating work groups were, however, notably less widespread with 11% per cent saying they had introduced them between 1990 and 1992. A similarly low level of diffusion is found in most other European countries.

Thus while it has to be said that there is very little evidence for a wide diffusion of team work *even* in countries like Germany, Sweden and Austria there are, nonetheless, some very valuable lessons to be gleaned from experiments in these countries.

### **Defining Team working**

Team work can either be consultative or delegative. With the former, while employees are encouraged and enabled to make their views known, management retains the right to accept or reject employees' views as well as reserving the right to take action. With delegative participation, employees are not only encouraged to articulate their views, but they are also empowered to decide on the best course of action in relation to issues like the allocation and scheduling of work. This form of team working is arguably a more advanced and sophisticated form than that associated with consultative participation. Another important dimension to team working is whether employees are entrusted to manage their team's boundaries, that is, the election of team leaders, the freedom to decide who is permitted to join the team, to decide its life span and the discretion to manage relations with other teams or other members of the organisation. Empowerment in these areas obviously represents a very significant form of team working. Five aspects of team working in particular merit further consideration:

- Regulation of team work
- Team work and its objectives
- Team work: altered working lives
- Team work and management support
- Integrating team work with HRM

### **Regulation of Team Work**

In most of Europe, the evidence would suggest that team working has been introduced through co-operation with employee representatives, both within the company and at higher levels; managerial unilateralism or a macho management style has been rare (Ferner and Hyman 1992). Of course, there are some obvious reasons for this: the first is because union presence in many European countries is deeply entrenched and/or institutionalised by legislation. In Germany, for example, the position of unions is protected by arrangements that give them a pervasive influence both at industry level and, through the statutory works council, at workplace level. Even in Italy – a country more commonly noted for union militancy than union co-operation – there have been

some significant developments in companies like Fiat, Pirelli and Zanussi where management has developed new consultative and negotiation arrangements to manage, inter alia, changes in work organisation and the introduction of team work.

In some European countries, for example Germany and Sweden, trade unions have played a leading role in introducing new work structures. IG Metall, for instance, concerned with some of the uses to which team working and lean production could be put, has developed its own concept of 'qualified team work' (cf. Roth 1992). Such unions are, of course, large and well-resourced organisations. By contrast, the attainment of such expertise in Irish and British unions is much more difficult. German unions are helped also, of course, by a statutory regime which requires employers to consult with employee representatives before any changes to work organisation are implemented. Such changes, therefore, are more likely to be agreed to by employee representatives where they are designed to complement traditional modes of employee representation rather than displace them.

### **Team Work and its Objectives**

The second factor we need to consider is the objectives ascribed to team work. For many commentators this is the crucial area – what balance is struck between the achievement of managerial objectives (that is, economic efficiency, profits, quality of product or service, and so on) and worker objectives of an improved quality of working life. The balance that is achieved between these goals is often critical in determining the success or otherwise of team work.

The first and principal lesson from the available evidence is that where management has been able to keep a balance between these two objectives, team work has had a high level of success. Unions have shown themselves far more ready to accept team work when it is not to be used solely, or primarily, to achieve managerial aims. In Germany, for instance, particularly in the car industry, IG Metall has been very awake to management using lean production and team work simply as a crude job intensification and job rationalisation tool. It has been very successful in putting forward an independent view on what should constitute lean production and good team work. While there are some close parallels between German and Japanese models of team work associated with lean production, there are some notable differences. First, group leaders, designated as spokespersons (*Gruppensprecher*), are elected by the group's members and not imposed upon the group by management; second, participation within the groups is voluntary; third, members are free to choose their own subjects for group discussion; and finally, there is a special importance attached to certain 'social' or quality of working life issues like the inclusion and integration of older and handicapped employees into the work groups. It should also be stressed that another fundamental feature of German team working is unions' concern to deepen and enrich people's skills as well as to provide them with the opportunity to display and use these skills.

## Team Work: Altered Working Lives?

The third crucial aspect of team work is the extent to which its introduction has altered people's working lives. Recent research has found that development of new working arrangements – in the UK at least – (evidence from the shopfloor in other EU countries is notably sparse) has tended to favour the skilled over the unskilled: it has not improved the lot of semi-skilled and un-skilled workers a great deal. Skilled workers have been far more likely to experience skill enhancement and increased responsibility. And as women continue to occupy the majority of un-skilled and semi-skilled jobs, the gender divide, too, would seem to have been left relatively untouched. Thus, established forms of work organisation and hierarchical relations continue to be reproduced. But managerial efforts to restructure work have not been directed solely at semi- and un-skilled employees; considerable attention has also focused on redefining skilled people's job profiles. In manufacturing, for example, intermediate specialist groupings like engineers, accountants and skilled manual employees, who formerly enjoyed considerable autonomy, have had many of their privileges withdrawn. In many instances, they have been transferred to line positions and exposed to the regulation of production: where once the locus of their identities resided with a particular specialist function or department, now that identity has been shifted away from a profession or an occupation towards the needs of production.

There is also considerable evidence that even where management has introduced team working, it has not relied on it alone to persuade workers to work hard. Other more traditional forms of managerial control have been (re-)employed, such as tightening the disciplinary regime and bell-to-bell working. Even at Nissan, where it is claimed that the introduction of team working has transformed the social relations of production, management continue to maintain close forms of supervision – a ratio of 20:1. It would seem, therefore, that conventional forms of authority relations persist even where one might most have expected team working to have ordained the reverse.

It has also been found that the introduction of team work has given rise to increased stress and effort levels. The sources of such new pressures are varied, but amongst the most common are: the requirement to be competent in more than one task; where once employees were free to come up with suggestions to improve the process, now they are required to do so; and the managerial expectation that employees will supervise their colleagues' work performance.

This need not be an inevitable outcome, however. When handled with some care there is also evidence to suggest that team work will be welcomed by employees. For instance, where team working is accompanied by the removal of piece rate mechanisms of pay, the pressure on un-skilled and semi-skilled employees in particular will have been reduced. Second, if the reorganisation of production leads to a more systematic and better planned manufacturing process and to a reduction in overtime working, it is conceivable that employees would also look upon this as a decrease in effort levels. In

the past, where work had been poorly organised, effort may have been expended in an uneven, and at times, frantic manner. New arrangements may require workers to spend more of the day working, but in a more even and organised way. Third, while effort may have increased, workers may accept this if there is a perceived gain in terms of job security and better working conditions. Fourth, where such improvements in the management process occur employees may develop a higher regard for their employer and they may willingly work harder as a consequence. Such a view is, pending further research, at least intuitively plausible. Finally, it would be plainly wrong to adopt a simple zero-sum view: effort may have increased, but employees may have welcomed this.

### **Team Work and Management Support**

It has been widely recognised that management commitment and support is the *sine qua non* for the success of team working. The most common failing has been senior management's lack of resolve and commitment to make it work as well as the inadequate attention given to adapting organisational structures and personnel policies. Too often team working is adopted as an island solution, out of its organisational context.

Even in instances where senior management has been committed to introducing team working, middle and line management indifference and resistance has shown itself to be a significant impediment. While team working may be said to offer certain advantages to line management – by enabling them to resolve problems at source on the shopfloor, leaving them free to turn their attention to issues of strategic concern, and enhancing their leadership skills by permitting them to develop their problem-solving and human resource management skills – it would seem that the empowerment of their subordinates often represents a threat sufficient to outweigh and detract from any advantages. Throughout Europe, line management's fear that the greater involvement of employees in decision-making procedures would threaten their traditional right to manage has been a prominent factor in explaining the failure of team working and other participatory initiatives. Further, employees' suggestions for improving the manner in which work is organised may not only be seen as a criticism of managers' performance, but if employees continue to identify problems and implement solutions, supervisors, in particular, may fear for their future employment.

In other situations, too, an extension in employees' participation may be prevented by managerial recalcitrance. Middle managers' suspicion of team working has usually centred on a fear that, although these new participative structures permit them increased involvement in decision-making procedures, both with their superiors and with other managers from other departments, it allows their counterparts from other areas to interfere in what has been hitherto the preserve of their discretion. So, while team working may be appreciated by some managers as a way of extending their influence and encouraging more co-operation, for others it may seem like an unwelcome encroachment which is as likely to give rise to new problems as to resolve old ones.

Important though these considerations are, it would seem that management, particularly in the Anglo-Saxon world, has often been concerned more with conforming to fashion when adopting task participation initiatives than acting from conviction. Moreover, there is also the urgency with management in general, and within personnel management in particular, to be seen to be doing something effective and relevant: the fact that change is less dramatic than may have been expected is often less important than the symbolic meaning attached to managerial action.

At a more fundamental level, the evidence would also suggest that Irish and British management in particular, in contrast to that in other European countries, has rarely fashioned a debate which portrays the possibility of delegative team working participation on the one hand, and centralised management control on the other, as representing credible alternatives. It is more the case that management chose the latter as a matter of course rather than as a preference following deliberate and considered debate of the merits of other possible approaches.

### **Integrating Team Work with HRM**

Here the evidence would suggest that the introduction of team work is more likely to succeed where management makes the necessary changes to other aspects of its human resource management (HRM) policy: moving from individual based pay to team pay, making significant investment in training, maintaining secure forms of employment, and so on. In the UK, there has been a tendency for employers to see many of these new work organisation techniques as discrete activities with little co-ordination between them and other aspects of personnel and industrial relations practice (Storey 1992). In some organisations it is not unusual to have managers in one room doing industrial relations fire-fighting while young MBAs down the corridor are striving to win the hearts and minds of employees.

### **Conclusions**

A number of conclusions can be drawn from all of this for organisations wishing to introduce team work.

*Managers need to establish strategies for dealing with employees and their representatives.*

One sometimes hears the objection from management that to consult and involve trade unions in changes in work organisation is too time consuming and slow, particularly where more than one union is involved. Such a charge may be misplaced for it often assumes that no compensating benefits will accrue to management. The advantages of consulting with unions are that not only will they have a certain expertise to contribute, but they can also legitimate the need for change to their members. There is, moreover, the danger that a hastily taken decision may not fully consider all the implications of its

implementation. The need to justify a pending course of action does not always come readily to employers, but the necessity to do so is arguably most important with the introduction of new participative work structures, not only if they are to avoid becoming a contradiction in their own terms, but also if management is to gain employees' commitment and secure high levels of effort and performance.

Such an approach then raises a number of questions. How are employee representatives to become involved? Should the introduction of team working be discussed in a traditional collective bargaining arena or should another forum be developed? Is it better that the structures used to consult and inform employees are employee-based or strictly union-based? Arguably, the institutional separation between collective bargaining (through the unions) and information disclosure and consultation (through the works councils) which is the norm in most European countries, does provide employers and employees with considerable advantage when introducing changes in work structures.

Moves towards developing a new forum to regulate the introduction of new work structures poses many challenges for employers and trade unions. For the former, it requires that employees and their representatives are permitted a role in joint decision-making. Hitherto, employees and their representatives, particularly in countries like Ireland and the UK, have rarely been provided with an opportunity to influence management decisions. It has been more common for management to keep their relationship with unions at arm's-length', providing them with little information and influence on matters not only in relation to business strategy, but even at the more modest level of work organisation. The granting of employees and their representatives a 'voice' in decision-making will represent, for some managers at least, the first significant intrusion on their 'right to manage' where they will have to account for, and justify, changes they wish to make. Yet, perhaps, it offers both sides the opportunity of breaking out of the vicious circle where, management's practice of keeping unions at a distance, denying them access to information and preventing them from having a say in decision-making processes, has sustained a cycle of distrust and conflict.

Essentially, what is being envisaged here is the adoption of a new industrial relations model where the adversarial model of old is replaced by a so-called "mutual gains" model wherein employers and trade unions enter into a new set of mutual commitments (Kochan and Osterman 1994). In a very fundamental way, the adoption of such a model calls on all parties to relinquish an industrial relations culture characterised by confrontation and zero-sum games to one based on consultation and co-operation. The 'bargain' here is that, in exchange for permitting unions a greater say or voice in business affairs and work reorganisation, unions will work actively with management in identifying solutions to business difficulties and in implementing change. In essence, unions are guaranteed a new institutional security but, in return, they and their members are required to work towards the achievement of the organisation's objectives.

In this model, it is not necessarily envisaged that collective bargaining will become redundant. Pay and significant changes in work organisation may still be channelled through collective bargaining. But in this context, while collective bargaining is still seen to have a role in the resolution of conflicts of interest, the principle informing conflict resolution is not one of adversarialism but rather one of working towards mutual gains solutions. And in support of these mutual gains principles, settlements reached within a collective bargaining arena will not be cast in stone, but will be permitted a flexibility where, given a sudden need for change, they will not restrain the organisation in adapting to new circumstances. In this way, collective agreements will be less detailed and prescriptive and more flexible and pragmatic in orientation than they may have been in the past.

In choosing to develop a new relationship with unions, where collective bargaining is separated out from joint decision-making, management faces a fundamental choice of whether union involvement should be confined to joint consultation or should be extended to a right of joint regulation. The danger with the former, as seen from a union view point, is: first, that it may descend into a symbolic exercise where there is a semblance of influence, but in reality unions are devoid of any real ability to influence management's decisions; and second, that lacking any significant influence, employee representatives may fear that they will compromise themselves in decisions over which they have no right of veto. Thus, unions are likely to prefer joint regulation over joint consultation (Storey and Sisson 1993).

Employers, on the other hand, fear that joint consultation may turn into joint regulation and slow up the decision-making process. This need not be, however, a bad thing, as discussed earlier. Close union involvement can bring its own benefits: improvements in the quality of decision-making; additional expertise and legitimacy for management's intentions. Thus there may be definite advantages in creating a new forum, separate from collective bargaining where issues like work organisation could be discussed and decided upon. Whether that should or will involve joint consultation or joint regulation is a question to which the parties will have to give serious thought.

Unions are also likely to be wary of attempts to develop structures, separate from collective bargaining, which are employee-based rather than union-based. Such a response need not be automatic, however. It is an approach which can offer a number of clear advantages: first, it can help the parties break free from the aforementioned vicious circle. Under these arrangements unions would concern themselves primarily with collective bargaining while the new body(ies) would involve itself in joint consultation/regulation with management. Second, this institutional separation would help overcome some of the problems associated with competitive multi-unionism. Third, it would help enfranchise the entire workforce, including those who may not have been, or who do not wish to become, trade union members.

Finally, there is much that is true in the oft-quoted maxim that "management gets the trade unions it deserves". As has been previously recognised, the approach that

management adopts to the regulation of workplace change and the role it sees for trade unions is likely to elicit a similar response from trade unions (Hall *et al* 1995; Storey and Sisson 1993). If management sees trade unions as a threat which ought to be marginalised, then, it is likely that it will not be disappointed by trade unions' response and will have its worst suspicions realised. It thus becomes a definition of the situation whereby defining unions as inflexible and unhelpful from the outset propels a self-fulfilling cycle of distrust and conflict. If, on the other hand, management views the introduction of team working as an opportunity to restructure its relations with employees and their representatives, and attempts to establish a mutual gains enterprise, then it may well find that a virtuous circle will be set in motion with the benefits outweighing the costs. It is important, then, that management realises it has a choice in which way to proceed and that it is not necessarily constrained by a particular industrial relations infrastructure. There is, of course, something of a double-bind here: the more management pursues the option of marginalising unions the more likely it is to preserve a form of unionism to which it is adverse and finds unaccommodating. Alternatively, if it involves unions extensively in decision-making procedures, the prospect of a strengthened union movement may be too difficult for some managers to accept. It would seem, then, that the most apposite question is whether one sees a strong trade union movement as necessarily a good or a bad prospect? The evidence from the Continent would suggest that strong trade unions need not be the handicap and hindrance that employers in this part of Europe often perceive them to be. This is not to suggest that unions on the Continent do not pose severe difficulties for management; plainly they do, but they have shown themselves to be a significant aid to management in the introduction of team work.

*Team work needs to be integrated with other aspects of human resource management/industrial relations strategy.*

There is a tendency sometimes for employers to see the introduction of new work structures as discrete activities with little co-ordination between them and other aspects of human resource management and industrial relations strategy. Without a close integration between these various aspects of employee relations the evidence would suggest that employers are unlikely to successfully introduce team working. A number of elements are important here. First, those employers who have and wish to persist with recruiting a cheap disposable workforce must ask themselves if this employment strategy, together with their attempts to win employees' co-operation through team working, will convey a unified purpose to their employees. Thus, security of employment should be an important consideration. In the UK, the 'New Deal' at Rover, for example, was arguably made successful by management's ability to convince employees and shop stewards that the introduction of team working and other new working practices would not lead to job losses.

Second, other changes to HRM policy would include the adoption of contingent

forms of remuneration linked, for example, to skill acquisition and performance-related pay which may be related to the work group's performance and/or the organisation's performance. The view here is that employees deserve reward for acquiring new skills, adapting to new working practices and, most importantly, that all should benefit and share from the efficiencies gained from the introduction of team working.

Finally, a move towards developing a mutual gains enterprise is obviously going to require some new thinking and discussion before the old model of industrial relations can be reformed. The articulation of such a strategy is given added importance when team working runs the risk, in union eyes at least, of creating parallel structures of employee communication and representation. Such fears will have to be handled with great caution. A management strategy which values collective representation and which at the same time seeks to develop an individual relationship with employees need not constitute a contradiction. Concern will only arise where there is a deliberate attempt to use the latter to undermine the position of the former; their co-existence, however, need not inevitably be problematic.

*Managing the managerial role is critically important.*

For those employers who do wish to invest in team work, the following issues will also have to be borne in mind. First, middle management and supervisors must be intimately involved in the introduction of team working. For not only have they a lot to contribute, but if they were to be omitted, the resulting feelings of resentment and fear for their futures could stifle any extension of employee participation on the shop-floor. Second, it will require considerable investment in training for both employees on the shop-floor and management, which will need to be sustained over a long period. Third, if workers are to be convinced to relinquish old job classifications and territories in exchange for new work structures with increased participation, then managers in turn must be trained to facilitate their involvement: any hesitancy to move away from old, authoritarian styles of supervision may shatter employees' expectations. Thus, line management's role in developing new work structures amongst their subordinates must be closely monitored and, where appropriate, rewarded. Fourth, when new forms of work organisation give rise to productivity improvements, as they are designed to, then the challenge for management is not to be tempted to use the new efficiencies merely to reduce head count but to work towards acquiring new markets for their products or services. To seek further reductions in staff numbers will inevitably lead to a reduction in staff commitment to the new work structures. Similarly, if such improvements lead to reductions in overtime, have employers developed some means to compensate employees for a loss in earnings? Finally, where employers introduce new work structures to mask other motives – job losses and increased effort levels – the research evidence suggests that employees' co-operation is likely to evaporate quickly. On the other hand, where change is accompanied by an increase in employees' skills and levels

of autonomy there is likely to be a greater degree of co-operation for increased flexibility and change in roles.

The key to much of what is being proposed here is the management of managers. In many organisations the system of managing managers is directed towards the old objectives of getting goods out the door and reducing costs. It is not that these motives are unworthy, but if an employer is serious about team working, then there is a need to align the means for managing managers with the objectives of employee participation and involvement. In other words, objectives can be set for line managers to foster team working in their area and then they can be appraised and rewarded if these objectives are attained. Arguably, this is where the Japanese have been so successful; not only have they rewarded their managers for meeting their 'harder' targets of levels of productivity, and so on, but also they have policed and rewarded managers for their implementation of the 'softer' elements of HRM policy (Storey *et al* 1991).

In summary, the main question management will have to ask itself is: how committed is it to a strategy of team working and how prepared is it to adapt the management of trade union relations, the management of employees and the management of managers towards this end? Senior managers must be aware that there are advantages and costs in pursuing such a strategy.

Finally, all this calls for a coherent approach rather than an ad hoc tinkering with individual aspects of the traditional adversarial approach to industrial relations. The adoption of the new mutual gains model represents a significant departure from past practice. It requires the actors to recognise and articulate common interests which they share and on which they can co-operate, and to give these increased attention and emphasis. This new model does not call for an end to collective bargaining; rather, collective bargaining is seen as a part of, yet not the main preoccupation, of management union relations. It is clear that the principles which inform this model are significantly different to that which shaped good industrial relations in the old adversarial model. If management union relations remain confined to, and locked within, the pursuit of oppositional interests, there can be little chance that experiments in the area of work reorganisation will be successful.

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