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An Anglo Swedish Comparison of Employee Participation in the
Banking Sector

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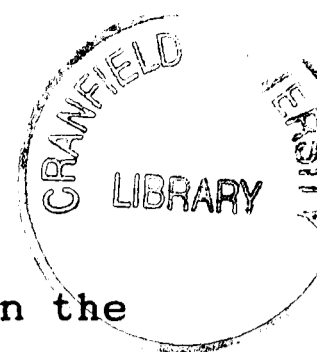
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ABSTRACT

The purpose of this research was to compare employee participation practices in a Swedish and a British bank. There has been considerable interest in human resource management over the past decade, of which employee participation forms an important part, but there have been very few studies which attempt a qualitative comparison of international aspects of this subject. By using a wider study, the Price Waterhouse Cranfield Project on International Human Resource Management, a European context is provided for the case study material, which examines in depth the forms and outcomes of employee participation in a Swedish and British setting.

A triangulation methodology was employed using two questionnaires given to employees of each organisation, a series of in-depth interviews, a reading of company documentation and personal visits. This enabled the use of a multiple of approaches with the questionnaires providing a framework for the in-depth interviews.

Four hypotheses were posed which offered tentative explanations for the similarities and differences in employee participation practices in Sweden and Britain. The findings were then analysed using Poole's Framework of Participation which proposes a number of contingent factors which influence the outcomes of employee participation. The thesis showed that Swedes allow greater participation in the workplace than the British, explanations of which are rooted in the cultural and ideological differences of the two societies. Secondly, it was shown that the drive for profit or financial stability will override participation mechanisms if it is felt necessary for survival. Thirdly, HRM techniques of employee participation are used mainly at a micro (workplace) level in the organisation as they can safely be distanced from any strategic decision making. Thus the strength of employee participation is very much anchored to the latent power of employees which is influenced by convergent forces such as economic, technological and political factors, and divergent forces such as cultural and ideological factors.



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Abbreviations

- B.I.F.U.- Banking, Insurance and Finance Union
E.C. - European Community
E.I. - Employee Involvement
E.U. - European Union
G.D.P. - Gross Domestic Product
H.R.M. - Human Resource Management
I.D.E. - Industrial Democracy in Europe
I.L.O. - International Labour Organisation
INV - Individuality Index
J.C.C. - Joint Consultative Committee
L.O. - Landsorganisationen i Sverige (Swedish Trade Union Confederation)
MAS - Masculinity Index
M.B.L. - Medbestämmande i arbetslivet (Co-determination Act)
O.E.C.D.- Organisation for Economic and Cooperation and Development
P.D.I. - Power Distance Index
P.R.P. - Performance Related Pay
P.W.C. - Price Waterhouse Cranfield Project
Q.C. - Quality Circle
S.A.C.O.- Centralorganisationen SACO/SR (Swedish Confederation of Professional Associations)
S.A.F. - Svenska Arbetsgivareföreningen (Swedish Employers' Confederation)
SBmf - Svenska Bankmannaförbundet (Swedish Bank Employees Union)
SK - Swedish Krona
T.C.O. - Tjänstemännens Centralorganisationen (Central Organisation of Salaried Employees)
T.Q.M. - Total Quality Management
U.A.I. - Uncertainty Avoidance Index

Chapter One

Introduction

'It is a sure truth, that when we cannot discern the most correct opinion, we must follow the most probable. And if we can observe no more likelihood in one than another, we must settle upon some opinion, and consider it afterwards in practice not as doubtful but as perfectly true and certain; for our ground for settling upon it really is of this sort.'

Descartes, 1637.

There has been a considerable increase in the vogue for Human Resource Management (HRM) in the past five or ten years. Management has discovered that employees are their 'greatest asset,' and the motivation of the workforce through positive policies associated with HRM can increase productivity, enhance customer service and foster employee commitment to the organisational aims and goals. The message propounded is one where all members of the organisation are pulling towards the same end to the mutual benefit of all. The eradication of conflict is thus seen as a prime objective in these 'unitarist' organisations, and this can be achieved by clearly spelling out the mission, aims and objectives and communicating them to employees. In formulating HRM strategies, policies must harmonise in directing energies of employees towards these ends. As we are aware the theory is often difficult to implement in practice, and there has been a considerable literature discussing the nature of HRM and whether it actually exists in organisations as described in the more prescriptive literature.

This study will examine one important aspect of HRM policy that of employee participation or, as it is more commonly known in the HRM literature, employee involvement (E.I.). Equally as important we shall examine the processes of employee participation in an international context and attempt to examine the forces that shape policy and its implementation in national and cultural settings. Given the American origins of HRM a question often asked is 'is it exportable?' While not directly attempting to answer this question the research findings will certainly shed some light on the subject.

Chapter One: Introduction

The inspiration for this work is rooted in two research projects at Cranfield School of Management which examined HRM and managerial issues in an international context. Both surveys involved organisations in Britain and Sweden, the two countries principally involved in this thesis.

The Price Waterhouse Cranfield Project (PWC), was a major undertaking which primarily examined strategic HRM practices in organisations in five countries at its inception in 1989, and by 1995 had carried out four annual surveys ultimately involving 18 countries.

The main objective of the project was to provide a research framework to generate a data base which would act as a touchstone for comparative analysis of HRM issues. The main method was by postal questionnaire which covered central issues of the employment relationship, including communicational issues contingent to E.I. practices. While the PWC project has succeeded in its objectives, those involved understood clearly that a statistical survey based on a postal questionnaire has considerable limitations, and in order to further examine some of the issues a qualitative survey was needed, hence this thesis subject.

In addition the author's duties at Cranfield led him to have considerable involvement with Swedish managers on short course visits, and with academic staff, particularly from the University of Uppsala, with whom he, and Professor Chris Brewster, conducted research on expatriate managers. The exposure to Swedish life style and culture had an enormous impact on the author, together with the knowledge that Swedish management style and employee involvement techniques had often been hailed as examples of best practice. Recently David Guest (1990) has suggested that perhaps we should be looking towards Sweden rather than the United States for a suitable model of HRM. In some respects it is hope that this research throws some light on this question.

The Aims of the Study

The principal aim of this thesis is to make a comparative analysis of employees in Swedish and British banking organisations in order to highlight differences and similarities in techniques of employee involvement. In addition there are three subordinate objectives of this study:

Firstly, employee involvement has become one of the central tenets of Human Resource Management and as such deserves more detailed investigation in the context of the

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organisation and its relationship to other employment policies.

Secondly, considerable claims have been made on the motivational power of employee involvement (E.I.) practices. Closer examination is needed to see whether these claims are verifiable and how these practices are carried out.

Thirdly, and perhaps most importantly, this is a comparative study at international level, and few in depth studies have been carried out relating to these practices.

The research is situated in the Poole Framework of Participation (Poole, 1986:29). This analytical tool will not only help us to understand the research data and information, by examining the variety of influences on the process of employee participation (including economic, political, technological, cultural and ideological factors), but will also act as a guide to the form and structure of the thesis.

Chapter Two examines the nature of employee participation and involvement and how it relates to HRM as a whole. It undertakes an examination of definitions and theories of participation in association with concepts of control. In this chapter the concepts of micro and macro level forms of participation are also defined.

Chapter Three explores employee participation in an international and comparative context. An examination of employee participation in Sweden and Britain in the past and recent present is conducted, and a number of international surveys are studied and contextualised against several theories of employee participation, leading to a synthesis of theoretical approaches which help in the modification of our major instrument of analysis, the Poole framework of participation. We also posit our four hypotheses which will be used as a measure and focus for the research findings.

Chapters Four provide the context for the research and examines the economic and political climate in Sweden and Britain in recent times, and gives an overview of the cultural and ideological literature relating to the two countries. This information is interpreted through the modified Poole framework indicating directions of the possible outcomes of the research.

Chapter Five examines the changes in the world of banking in the 1980s and 1990s in regard to new technology, financial deregulation, the banking crisis and the recession of the early 1990s. This is contextualised against a modified model

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of Cressey and Scott (1992) which portrays the pattern of innovation and impact on the employment relationship in the sector. The case study bank's history and development is also outlined as well as their changing methods of employee relations and employee participation.

Chapter Six provides a summary of the major problems facing the international researcher and an outline and justification of the research methodology and instrumentation is presented.

Chapter Seven examines the findings of the Price Waterhouse Cranfield Project from 1990/91, particularly the section involving employee relations which includes questions of employee involvement and communication. This data is used as an international context for the in-depth findings. The case study research provides the crux of the thesis, and undertakes to examine the operation of employee participation in a Swedish bank, Sparbanken, and a British bank, the Cooperative Bank plc. Perhaps of most interest was that the comparative data was compiled at a time of economic turbulence in both economies due to the onset of recession combined with a crisis in the banking sector. This presented a unique opportunity to study the claims of HRM and particularly employee participation implemented under its name, at a time which would stretch the good will of the management.

Finally, Chapter 8 brings the findings together into the Poole framework of participation and examines whether the hypotheses are supportable, ending with a discussion of the tensions of employee participation between the upper and lower levels in each organisation and conceptions of meaning of empowerment and employee influence.

Chapter Two EMPLOYEE PARTICIPATION AND HUMAN RESOURCE MANAGEMENT

Introduction

The idea of involving employees in the organisation may seem self-evident as they must be involved in order to do their job. It has long been recognised, however, that doing a job does not necessarily mean being interested in it or doing it well. The school of Human Relations promoted by the work of Mayo, Vroom, Likert and Maslow amongst others (Vroom and Deci, 1970; Argyle, 1974; Clutterbuck and Grainer, 1990), have drawn conclusions from their various studies that positive motivational factors engendered by such methods as employee participation may develop a more creative, interested and therefore more productive workforce. Recent trends in human resource management have underscored these views and the objective of this study is to make a comparison of practices of employee participation in the Swedish and British context. In order to do this in this chapter we will define employee participation, particularly in the context of human resource management where it holds a central position, and examine types and degrees of employee participation in relation to what we shall call the micro and macro levels of the organisation.

Definitions of Employee Participation

A first important task in studying employee participation is to define what is meant by the concept. This is made difficult by the variety of schemes which fall under its aegis: ranging from those which are informational mechanisms, to full blown democratic systems where employees have as much say in the decision making processes as management. This makes an all encompassing definition problematic. In addition different labels have been attached to these processes: employee or worker participation, employee involvement, industrial democracy, organisational communications, co-determination, employee influence, team working etc. Each one of these has its own definition which has evolved and changed over time. Thus, a recently published book on employee involvement by a respected expert in the field called 'Managing the Team' (Marchington, 1992) misled one reviewer to expect a study emanating from the not inconsiderable literature in the social psychology of group working in organisations (Jackson, 1994:521).

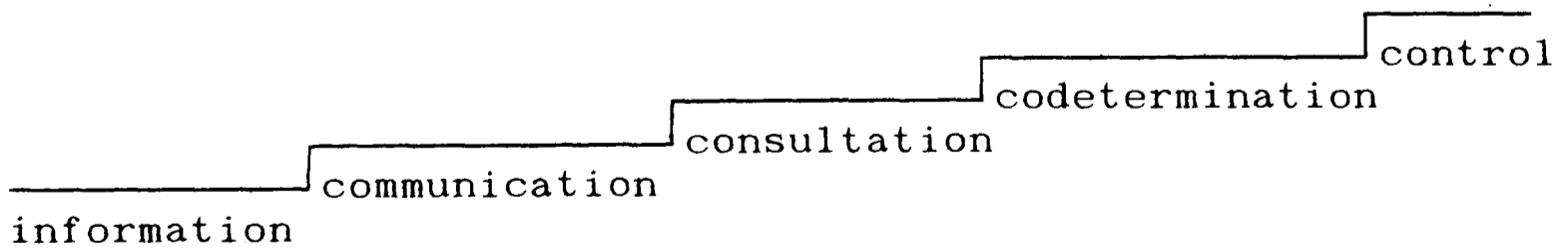
Fashion has also had its effect and employee participation schemes in the 1960s and 1970s were referred to in terms of

'industrial democracy,' and while this term is still extant, it has tended to be replaced by the more prevalent and less politically contentious titles of 'employee participation' or 'employee involvement.' Marchington (1992:23) points out that confusion can also be compounded by "the fact that different terms are used interchangeably by many authors."

Wall and Lischerson (1977:36,37) state that there are three elements central to the concept of participation: 'influence,' 'interaction' and 'information sharing.' Marchington et al. (1992: 6,7) divide definitions into three categories: firstly, those that refer "to employees taking part or having a say or share in decision making, with no attempt to quantify their impact on the process"; secondly, those which "refer to participation as concerned with the extent to which employees may influence managerial actions," and thirdly, those which "link together participation and the control over decision making."

For the purposes of this study Marchington's (1992:23,24) use of the term 'participation' as "an umbrella to define the subject as whole" will be used, as well as his definition of 'industrial democracy' "to describe those practices whose principal aim is to increase the rights of employees (or their representative organisations) to participate in decision making." Equally acceptable will be his use of the term 'employee involvement' (*E.I.*) "to describe those practices which are initiated principally by management, and are designed to increase employee information about commitment to the organisation." Thus while Marchington uses a stepped effect (*Fig. 2.1*) to illustrate the levels and degree of involvement we have used a cross matrix (*Fig. 2.2*) to explain the same categories of participation.

Fig. 2.1
Marchington's Escalator of Involvement



(Marchington, 1992:24)

Marchington (1992:24) believes that these definitions also need to take into account:

- **The degree** of involvement (the extent to which employees influence the final decision).
- **The level** of involvement - whether at job, departmental or organisational level.
- **The forms** of involvement - direct, indirect and financial.
- **The range** of the subject matter being considered in the involvement scheme.

For example quality circles may have a high degree of direct employee involvement and influence on decisions at workplace level, but be limited in range to matters of team work and job design. Works councils, on the other hand, will involve employee representatives at organisational level, and may consider a wide range of areas such as business and industrial relations strategies, in joint decision making with the management.

Types of Employee Participation

Marchington et al. (1992:13) divide employee involvement schemes into four categories:

- (i) **Downwards Communications** (top-down) - eg from managers to other employees. This includes forms of E.I. such as house journals, company newspapers, employee reports, regular briefing session sometimes using videos.
- (ii) **Upwards problem solving forms** which are designed to tap into employees' knowledge and opinion, either at an individual level or through the mechanism of small groups; this includes practices such as suggestion schemes, attitude surveys, quality circles and total quality management and customer care programmes.
- (iii) **Financial Participation** via schemes which attempt to link rewards of individuals to the performance of the unit or the enterprise as a whole. This includes schemes such as profit sharing, employee share ownership, and value added or establishment wide bonus arrangements.
- (iv) **Representative Participation**, in which employees are involved through representatives drawn from amongst their number, often - though not always

- on the basis of union membership for example JCCs, advisory councils, works councils, co-determination, and collective bargaining.

In many organisations a combination of these forms of participation schemes will exist, hopefully supporting and complementing each other.

Fig. 2.2
An Organisational Matrix of Employee Participation

<u>Degree</u>	<u>Levels of Involvement</u>		
	Micro (work place level)	Both micro & Macro	Macro (Company or organisational level)
Degree of control			
control (by workers or workers and management together)	worker self management		worker self management or cooperatives
co- determinational	Union shop steward represent- -ation;		JCCs; works councils; worker directors; union- management negotiations
consultational (Two-way communication)	quality circles; job enrichment; suggestion scheme; appraisal	attitude survey; customer care; TQM	
Communicational	Team briefings; department or group meeting		mass organisational meetings
Informational (Top down)	notice boards	memos; briefs;	Company newspaper/ magazine; bulletin.

One problem with this tabular representation is that some participation schemes may pervade many or all levels of the organisation for example financial participation. Others may cascade through many levels such as team briefings (Ramsay, 1992). Team briefings could also fall into both the 'informational' and 'communicational' categories. Another problem is that the degree of participation involved in one type of scheme could differ from one organisation to another. For example JCCs could vary in power from being mere rubber stamping operations for management decisions to joint consultational mechanisms covering a rich variety of organisational topics.

Control and Participation

One important element in the participation equation is the degree of control given to managers and non-managerial employees. For example informational, communicational and consultational types of participation tend to come from management initiatives and are more likely to be controlled by management. These are most closely associated with human resource management or other managerial initiatives such as Total Quality Management schemes. These are types of participational measures which have found recent popularity in many organisations. The types of schemes which attempt to give the workforce more say, and in some cases more control, particularly at the organisational level, tend to be associated with concepts of 'industrial democracy' and were more popular in the 1970s although issues such as the works council directive of the Social Charter have recently stirred considerable debate in Britain and the E.C.

However, the term 'control' itself is problematic. For example a worker can feel in control of his or her work process i.e the day to day operations, but have little control or say in the running of the organisation in terms of influencing overall policy or strategy. Secondly, various issues at workplace level will allow more control and influence by the workforce than others.

These problems have long been recognised in the vast literature generated around this important subject (Edwards, 1987:90). Tannenbaum (1968:3) sees control as an inherent characteristic of the nature of organisations.

Organisation implies control. A social organisation is an ordered arrangement of individual human interactions. Control processes help circumscribe idiosyncratic behaviours and keep them conformant to the rational plan of the organisation. Organisations

require a certain amount of conformity as well as the integration of diverse activities. It is the function of control to bring about conformance to organisational requirements and achievement of the ultimate purposes of the organisation.

Drucker for example states "control is an ambiguous word. It means the ability to direct oneself and one's work. It can also mean domination of one person by another" (Drucker, 1961:128). These positive and negative views of 'control' have spawned a parallel literature rooted in the acceptance and rejection of capitalist values.

Adam Smith in his seminal work 'The Wealth of Nations' (1776) holds the view that efficiency in an organisation would improve by adopting the division of labour as the axiom of design. The division of labour is effective when there is unity of control. "There should be a hierarchical pyramid with a centre of authority and a specific span of control at each level" (Tyson and Jackson, 1992:135).

Fayol (1949:107) believes "control consists in verifying whether everything occurs in conformity with the plan adopted, instructions issued and principles established. It has for object to point out weaknesses and errors in order to rectify them and prevent recurrence. It operates on everything, things, people, actions."

This view was seen by Taylor and the 'scientific management' school as representing a form of management control over the workers and the processes of work.

An opposite view, rooted in the ideas of Marx, sees control from the employees point of view in a negative light. It is purely a mechanism to enhance exploitation of labour in the continuous pursuit of profit. Control in the 'labour process' school of thought postulates that technology controls the work process in its drive to help fulfill the requirements of the capitalist organisation (i.e. profits) in response to intensive competition. This obviates the necessity to control the work process in order to extract the maximum output vis-a-vis labour cost and the ability of labour to resist control (Salaman, 1979). According to Braverman (1974) the ability to resist control and exert greater autonomy is higher among workers whose skills are in great demand, and less amongst workers in unskilled or deskilled situations. Thus deskilling has considerable implications for control and the way it is applied and viewed by participants (employees, managers, employers) and hence for participation schemes especially in institutions like banks which have undergone intensive technological change and reorganisation in the past 5 years.

A deeper discussion of the debate over forms of managerial control and its relation to employee participation will be undertaken in chapter three.

Micro and Macro Levels of Participation

For the purposes of this study the levels of participation will be divided into what has been called 'local' and 'distant' by some authors eg Wall and Lischeron (1977:41,42), and which we will term correspondingly micro and macro participation. These terms represent the level within the organisation where participation operates in its direct and indirect forms. Thus 'local' (micro) will represent the workplace level of involvement where employees are directly involved in decision making through their work processes, and 'distant' (macro) participation takes place at the establishment level of the firm, and in medium and large organisations is performed by indirect (or representative) participation, such as via unions and/or codeterminational procedures. As we shall see below the recent spread of employment practices associated with human resource management (HRM), has led to a 'revival' of local level participation, and to distinguish it from past schemes and employee financial participation schemes, we shall rename this 'micro' level participation due to its association with HRM and these 'new' practices. Macro level will thus retain some of its old 'distant' level meaning, but also describes the contrasting nature and possible tensions, frictions, and contradictions with micro level forms of participation.

HRM and Employee Involvement

Perhaps one of the most influential movements which has led a revival of employee involvement (E.I.) has been the emergence of human resource management (HRM). E. I. began to flourish in the 1980s in the guise of managerial policy initiatives inspired by the new 'excellence' movement and the rise of human resource management. Such management 'gurus' as Tom Peters and Rosabeth Moss Kanter preached that people are the most valuable resource of an organisation and that training and developing them, adequately rewarding their performance and involving them in organisational policy making particularly at customer interface level could only enhance employee motivation and thus performance. Successful companies carrying out such policies were lauded as exemplars of the new managerial approach (Peters and Waterman, 1982; Kanter, 1983).

However, as Marchington (1992:24) points out these trends in E.I. must not be confused with industrial democracy. Firstly, most HRM E.I. schemes operate at the micro (work place) level and rarely are concerned with macro (organisation wide) issues of a strategic nature. Secondly, this reduces the 'political dimension' associated with industrial democracy, and is more concerned with organisational efficiency involving practical matters rather than ideological concerns about power re-distribution, control and other related issues. Under these HRM schemes power still ultimately rests with senior management and the board.

Much of this rediscovery of the intrinsic worth of the employee was driven by the relative decline in American economic performance particularly compared to Japan. A considerable literature was generated analysing the key to Japanese success and one oft cited element was the involvement of employees in work groups such as quality circles (Lawler, 1986). Employee involvement was also expounded as a key instrument in the creation of H.R.M. strategies and the influential Harvard Business School HRM programme proposed by Beer et. al. (1984) put 'employee influence' firmly in the centre of this approach.

Considerable controversy has been generated as to what constitutes HRM and what the employees' role is within its framework. A substantial literature has been generated in examining definitions, forms, frameworks and models of HRM, but there has been little critical examination of the role of employee 'influence' within the context of these debates. As we found earlier, unclear definitions of employee participation created confusion and its undefined role within the HRM context has propounded the propensity towards vagueness and elision. Marchington (1992) is one of the few writers who have attempted to make this connection but while he examines HRM and employee participation, the work suffers from a lack of coherent linkage between the two concepts. This is very much due to the lack of clarity of definition by those writers (mainly American) who have sought to promote HRM and employee commitment as the 'new' orthodoxy in management.

HRM Models

A problem with the original concept of human resource management lies in its American origins and the cultural assumptions which it makes about the employment relationship.

One of the earliest conceptualisations of HRM was the 'Matching Model' from the 'Michigan School.' Its proponents conceived HRM as unitarist in nature, and the model they created sprang from a desire to create a work situation free from conflict in which both employers and employees worked in harmony towards the same goal - the success of the organisation (Fombrun, 1984:17). The model emphasises the necessity of a 'tight fit' between the HR strategy and the business strategy. This 'strategic' approach while admitting the importance of employee influence does not allow dissension and conflict via, for example, the participative role of employees. This in itself can negate the presence of unions and other independent employee representative bodies which might disturb the unitarist framework.

Considerable criticism has been levelled against this unitarist concept of HRM. Firstly, it is an idealist concept in that most organisations do not operate in this rigidly unitarist way. Secondly, its transposition to other cultural and socio-economic contexts would be extremely difficult given the different conceptualisations of the employment relationship rooted in varying institutional frameworks. A more pluralistic model emerged from the Harvard School and the work of Beer et al (1984). In this 'Map of HRM Territory' as they title their framework (to wisely avoid the term 'model') they posit the view that there are various stakeholders in the organisation who have an interest in its procedures and outcomes. These stakeholders include shareholders, management, employee groups, government, community and unions. This, it could be argued, sits much more comfortably with the pluralist 'reality' of most organisations.

The Harvard HRM programme casts employees as one of the major 'stakeholders' in the organisation and therefore "it is critical that managers design and administer various mechanisms for employee influence" (Beer et al., 1984:11). They continue "not only will their (the employees) interests be heard, but there will be mechanisms to help shape their company's HRM policies" (Beer et. al., 1984:41).

This recognition of employees' and other stakeholders' interests raises a number of important questions for policy makers in the organisation.

'How much responsibility, authority, and power should the organisation voluntarily delegate and to whom? If required by government legislation to bargain with the unions or consult with workers' councils, how should management enter into these institutional

arrangements? Will they seek to minimise the power and influence of these legislated mechanisms? Or will they share influence and work to create greater congruence of interests between management and the employee groups represented through these mechanisms?' (Beer et al, 1984:8).

These questions raise further concerns about the inexactitude of the language of E.I. in the HRM context. Terms such as 'influence,' 'involvement,' 'empowerment' 'commitment' are blithely used by writers on HRM, without attempt at definition or even clarification. Of the Harvard School academics, Walton has had the most to say on the subject. In his view employee influence is most effective when employees have commitment to the organisation and this can only be achieved if there is congruence between the HRM and general management policies of the organisation. Walton (1984a:4) calls this a 'high commitment' work system and he proposes that "high commitment is the essential ingredient in the future pattern of HRM." Walton (1984b:36) sees the HRM conception replacing previous systems "because the common denomination among systems being replaced is the emphasis on imposing control." In other words there is a move from "control to commitment" (Walton, 1985).

'The common theme in the revision of these policies is increased mutuality between workers and managers and between employees and employers. Thus the new management strategy involves policies that promote mutuality to elicit employee commitment, which in turn can generate increased economic effectiveness and human development' (Walton, 1984b:36).

This statement contains a number of non-sequiturs. There is no guarantee that mutuality will "elicit employee commitment," and certainly no serious academic would propose that it leads to increased economic effectiveness and human development, although there may be more likelihood of this happening in organisations with positive HRM policies than in organisations which have negative employee relation policies. In essence what is happening here is what Tom Keenoy calls a reconstruction of the employment relationship through rhetoric and metaphor (Keenoy, 1990: 371; Keenoy and Anthony, 1992:235).

As Goss (1994:101) states "the evidence suggests that commitment is a complex phenomenon that operates in different directions and at different levels. It is not something which can easily be generated or sustained, neither does it necessarily lead to improved performance." Noon (1992:23), in exploring these criticisms further

comments "employees may resent the dissonance created between commitment to the task (encouraged by the individually-based performance management mechanisms) and commitment to the company (encouraged through the rhetoric of culture and the rewards of promotion and employment security)."

Another important question is how do these American conceptions of HRM translate into other national contexts? Of the two models discussed above the Harvard one with its pluralist overtones is the more easily transposable, a point readily taken on board by commentators eager to construct an international model. Poole (1990:3), for example, has identified the international applications of this model. Other writers in the British context have also addressed this problem, most notably Guest (1987) and Storey (1989; 1992), and have pointed to the difficulties of applying specifically American concepts to the British employee relations context. The limited number of surveys in Britain (and interestingly in the USA) show little of what conforms to HRM as constituted in these models. Nevertheless enormous changes have been taking place in the employment relationship often in the name of HRM. Guest (1987) and Storey (1992) recognising the taxonomical difficulties of researchers have constructed heuristic models to 'test' the prevalence of HRM practices in British organisations. What is evident is that multifarious initiatives and policies affecting the relationship between employers and employees have been taking place in organisations. These involve schemes ranging from one off policies to full blown culture change schemes such as TQM, most of which demand forms of 'employee involvement!'

A similar picture has emerged in the Swedish employment experience which we will examine in more detail in chapter 3. Needless to say the concept of HRM is beginning to pervade managerial policies, and previous practices are beginning to be engulfed in a rationalisation under the HRM umbrella. The Price Waterhouse Cranfield Survey (Reports, 1990, 1991; Holden and Forsberg, 1990) found that in Sweden there were various pointers which indicated a convergence of practices similar to those found in Britain and the USA. These included increasing devolvement to line management of personnel policies (including recruitment, training and employee performance evaluation), an increase in variable pay and greater movement towards the individualisation of pay, and an increase in direct forms of communication to employees. However, it can be argued that many employee participation measures at both micro and macro levels, the aims of which are to elicit 'commitment,' such as job enrichment, and the quality of working life movement, have

long been widespread in Swedish organisations. Whether in aggregate form they add up to 'human resource management' is not the place of this work to debate, but at least one prominent British academic has argued the case for taking HRM employment practice not from USA but from Sweden (Guest, 1990:395).

The economic downturn in the early 1990s has led some commentators to ask if HRM is "recession proof?" (Beardwell and Holden, 1994:686). Storey (1989:8) has identified 'hard' and 'soft' types of HRM which may sit well with different types of organisational culture and, we posit, different economic climates. Legge (1989:33) has alluded to "tough love" HRM in such contexts and this is readily witnessed in the experience of such 'HRM companies' as IBM with their forced redundancy programme (Noon, 1992:24). It is pertinent to ask therefore how does 'human resource management' change under such circumstances, and how is employee commitment and involvement affected? This study attempts to seek answers to these questions and a closer examination of these points will be made in the next chapter.

Conclusion

In this chapter we examined various definitions of employee participation making a distinction between employee participation and employee involvement, the latter of which emanates from managerial initiatives and is often related to human resource management or associated schemes such as TQM. Various types of employee participation were also examined and a distinction was made between macro (strategic) and micro (workplace) levels of involvement. The chapter finished by examining the relationship of employee participation and human resource management models. We implied that writers, especially those associated with the more prescriptive literature, have not examined closely the complex relationship between key HRM concepts, such as employee commitment and employee participation, which is underscored with many diverse and complex interacting influences. These 'new' HRM initiatives can still be interpreted as varieties of managerial control and may be perceived as such by employees. These themes we will return to later in the work when analysing the findings as a whole.

Chapter Three

COMPARATIVE AND THEORETICAL ASPECTS OF EMPLOYEE PARTICIPATION AND THE BRITISH AND SWEDISH CONTEXT

Introduction

In this chapter we will endeavour to place employee participation in a comparative context by examining the historical development of employee participation practices in Britain and Sweden, and by evaluating various comparative models and theories of participation and the employment relationship. In addition an examination of some international studies will be undertaken, which will provide a context for the later research findings. Theories of the comparative study of societies will also be discussed followed by an attempt to synthesise these approaches as an aid to understanding the various convergent and divergent forces operating on the employment relationship. The chapter is concluded by the presentation of a number of hypotheses which will be examined later in thesis using the Poole framework of participation.

The History and Development of Employee Participation in Britain and Sweden

There has long been an admiration in Britain for Swedish working and industrial relations practices. In 1963 Lord Cooper urged that lessons could be learnt from the Swedish system of industrial relations, and in 1966 members of the Donovan Commission (1968) visited Sweden to gain first hand experience of what came to be known as the 'Swedish Model' (Wedderburn, 1978). In the 1970s this trend continued when British observers displayed considerable interest in the workings of the macro level employee involvement system of Swedish co-determination and the micro level Quality of Working Life Movement, exemplified in work re-design at Volvo and other company plants. The Bullock Report (1977) on industrial democracy made special mention of the Swedish system, and even management journals began to urge that the British emulate some aspects of Swedish managerial practice (Fores and Clark, 1975).

Employee Participation in the UK: Background and History

In the UK, as in other countries, although employee participation is but one aspect of organisational communication it is, nevertheless, wide ranging and diverse

in its forms. Types of E.I. evolve and change with managerial vogues which are governed by political, economic and social pressures. This is clearly observed in an historical examination of E.I. trends in the UK. For example the First World War witnessed a considerable growth in worker militancy together with an increased popularity in left wing ideologies many of which espoused various forms of workers' control, one example being Guild Socialism (Cole, 1917). The Bolshevik Revolution in Russia in 1917 had a significant impact on work relationships as Marxist ideology is based on an analysis of how capitalism exploits the proletariat in the workplace. These influences had, and still have, considerable impact on arguments surrounding work related issues (for example the 'Labour Process' school). One attempt to mollify these forces in Britain was to legally acknowledge, in the form of Whitley Councils, that employees and their representatives (trade unions) had some say in negotiations over pay and working conditions. Despite good intentions from some parties on both sides of industry, these arrangements largely fell into disuse in the private sector once recession hit the British economy from 1921 and the threat of workforce militancy receded (Wigham, 1973). There only real successful application was in government service, extending later to other parts of the public sector after the Second World War (Pollard, 1969:271,272).

It was not until the 2nd World War that a popular revival in E.I. schemes occurred. The need for huge productivity increases to meet the war effort led workers to demand something in return - a greater say in the operation of the workplace. Works committees or Joint Consultative Committees (JCCs) were set up in many factories (Croucher, 1982). Some continued in existence after the war, but management and unions lost interest in them in the 1950s and many fell into decline when there was a preference for direct collective bargaining via unions, employer organisations and employers. Nevertheless, there was a considerable revival in the 1960s and 1970s atmosphere of industrial democracy, and shop stewards were found to be filling delegational positions (Marchington et al., 1992). Debates concerning the extent to which these committees existed and the real power they afforded the workforce still engage social and economic historians.

In the 1970s the Bullock Committee Report (1977) echoed an increased interest in industrial democracy. There was a growing consciousness that while politics and society were increasingly being 'democratised' the world of work did not reflect this trend. In addition British membership of the European Community influenced the Bullock Committee to

examine forms of industrial democracy among its European neighbours, such as co-determination in Germany and Sweden, and in some societies more radical forms of employee involvement were being undertaken such as Worker Self-Management, practiced in Yugoslavia and in Mondragon in Spain. These practices attracted considerable interest as did worker director schemes and the formation of workers' cooperatives which, often arose in UK companies under threat of liquidation (Broekmeyer, 1972; Brannen et al, 1976; Eccles, 1981; Thomas and Logan, 1982 NB: There is a considerable literature on these subjects which while of interest does not directly relate to the subject of this research). The political climate which had engendered industrial democracy swiftly changed with the premiership of Mrs Thatcher's Conservative government, which tarred such policies with the brush of left wing ideology.

In the 1980s the most important mechanisms to gain popularity were quality circles and job enrichment schemes both having mixed success, and both based at work place (micro) level. Quality circles and team briefing groups also became relatively popular in the UK, although as in the United States many quality circles, and recently, Total Quality Management programmes (TQM) have experienced a short life cycle before ending in failure, although at the time of writing TQM is still enjoying a considerable degree of popularity. (Lawler and Mohrman, 1985; Collard and Dale, 1989; Brennan, 1991; Sewell and Wilkinson, 1992; Wilkinson et al, 1992).

A whole variety of what can be loosely termed (in Marchington's definition) employee involvement schemes emerged including financial participation, such as employee share option and profit sharing schemes, of which the latter two have had a considerable pedigree are, by no means novel and have received an impetus in the U.K. by the Finance Acts of 1978, 1980, 1984, 1987 and 1989 (Ramsay et al, 1986; Schuller, 1986; Schuller, 1989, Badden et al, 1989; Poole, 1990a; Poole, 1990b; Dunn et al, 1991).

Most recently various forms of team working based around customer care and total quality management (TQM) programmes have witnessed a considerable rise in popularity, inspired once again by Japanese practices (Marchington et al., 1992). In these schemes the emphasis is very much on problem solving. They are also widely used in attempts at culture change, with some significant negative sides in the recent recession, for example attempts at employee involvement in redundancy procedures (Guest and Peccei, 1992).

Employee Participation in Sweden: Background and History

Swedish Co-determination

In many respects Sweden has, it has been argued, the most advanced forms of participation in the world at both organisational and workplace levels (Wilczynski, 1983:103). The basis of industrial democracy in Sweden stretches back to 1948 with the setting up of the National Labour Market Board. This was composed of representatives from labour, employers and government, and was involved in economic planning.

In the economic and political climate of the 1970s demands were made for the extension of industrial democracy which led to the passing of a body of legislation most notable of which was the Codetermination at Work Act (MBL - Medbestämmande i Arbetsslivet) passed in 1976. The aim of the act was to extend the scope of collective bargaining to areas of management policy, including organisational and technical change. It required all employers to allow consultation with employees and the participation of their representatives in decision making at both board and shop floor levels. For example one of the central provisions of the act requires that employers making major changes in their operations or working conditions of employment are required to negotiate with employee representatives before the final decisions are taken and changes introduced (Edlund and Nyström, 1988).

In reality employee representatives in the codetermination system tend to be union representatives and it was the unions in Sweden which gave impetus for much of the drive towards industrial democracy. The union strategy was to focus on issues of health and safety and "this created a political climate in which new laws and regulations in support of industrial democracy could be introduced..... these laws were supplemented by financial support for training and research which to a large extent was channelled through the unions" (Hammarström, 1987). The crucial role of unions not only in bargaining structures, but the codetermination system meant that they would always be an important element in Swedish employee relations.

Some observers have warned about exaggerating the power which the Codetermination Act gave to employees via their unions. Fulcher (1991:276) for example states "the big problem for the unions has been to gain influence over strategic decisions. The Codetermination Act was clearly intended to give the unions influence here, and this may be considered much the most important level, but it was

inevitably the most difficult area for the unions to penetrate." Hammarström and Victorin (1982:171-174) have argued that the act does not give the unions either information or influence sufficiently early in the process and Fulcher (1991:276) doubts whether rectification of this process would make much difference given management's control over the information concerning such strategic decisions. A survey by Berggren (1986:23) came to similar conclusions in that codetermination has not resulted in any significant increase in union influence over strategic decisions for, if it had, employers would surely have been much less positive towards it.

The Codetermination Act has little influence on employee participation at micro level but many companies have taken initiatives which have enhanced the reputation of Swedish employee involvement. Volvo in particular was well known for its introduction of job enlargement and job enrichment and other 'Quality of Working Life' techniques into its Kalmar plant in the 1970s, and became the focus of much world wide attention as an alternative to the mass assembly Fordist systems of production (Gregory, 1978; Sell, 1988). These job enrichment schemes found considerable popularity and were emulated by other organisations in Sweden and elsewhere (S.A.F., 1975; Aguren et al, 1984).

While these systems have been admired, they have also received criticism. The neo-liberalists have argued that the corporatist state pays too heavy a price in terms of high wages and high taxes for a regulated labour market which is seen as being heavily influenced by the ability of the workforce to impede management prerogatives in policy creation (Taylor, 1990). Conversely, left critics have attacked the system for not addressing the real needs of the workforce which have been emasculated by the unions in collusion with the Social Democratic Party in attempts to maintain the corporatist status quo. 'Kalmarism', as one French observer has dubbed the E.I. initiatives in Volvo (Lipietz, 1992), has also been attacked for being no more than a P.R. exercise, and that many of the E.I. initiatives are untypical and many have been dropped recently as being uneconomic and inappropriate, witnessed by the closure of the Volvo plant at Kalmar in recent years.

A recent trend in Sweden has been seen to be bound up with managerial HRM initiatives which have shifted from formal to more informal models of participation and decentralised many practices. Some observers suggest that these trends might eventually undermine the formal system of participation (Cressey, 1992).

What is certain is that the change in the economic climate in the 1990s as a result of recession, rising unemployment from 1.5% in 1990 to 8.5% in 1993, has had an enormous impact on the Swedish collective psyche, challenging many of the assumptions which were generally acceptable in the agreeable economic environment of the 1980s.

The balance of power between state, unions and employers continually changes with each economic phase, but there is no reason to believe that the essence of the system will not survive. Despite the fact that management prerogative in Sweden still outweighs that of the employee, the culture of involvement is still well developed compared with most other countries (Gold, 1992; Cressey, 1992).

International Comparisons of Employee Involvement

As this study is essentially international it would be pertinent at this stage to examine other comparative studies in employee participation (particularly those which include Britain and Sweden) which may help inform our debate.

In many countries in Europe and the rest of the world, trade unions still act as some of the most important communication channels, despite the fact that there has been a decline in membership worldwide over the past ten years (ILO, 1993). Their importance is still central in Scandinavian countries, especially Sweden, and they still carry considerable weight in Germany and Britain, though the rise in long term unemployment and the decline in the old staple industries like ship building, coal, iron and steel and engineering, where unionism had a strong traditional base, has tended to erode their power.

International Surveys of Employee Participation

Comparative research into employee participation is in a relatively early developmental stage, although there have been a considerable number of international surveys of institutional and legal aspects of employee involvement (Poole, 1986). Studies in the 1980s and 1990s reveal a diversity of trends influenced by a multiple of organisational, economic, political and technical factors.

The Price Waterhouse Cranfield Survey into International Strategic HRM (of which more detailed results will be examined in our findings chapter) investigated trends in employee communications in five countries (UK, Sweden, West Germany, Spain and France) in 1990, and ten countries in 1991 (the original five plus Netherlands, Norway, Denmark,

Italy and Switzerland). Both survey years revealed a marked increase in attempts at communicating with the workforce, both via staff representative bodies, such as trade unions, and by more direct methods associated with HRM initiatives (Holden, 1990; Price Waterhouse Cranfield Survey Reports, 1990 and 1991; Brewster et al., 1994). Only in British organisations did personnel managers report the greatest decrease in trade union influence and the greatest decrease in communication through staff representative bodies (Holden, 1990:5; Brewster et al., 1994).

This survey and the ten country one in the following year were both conducted before the recession of the early 1990s began to bite in the UK, and the decrease in communication via staff representative bodies obviously echoes the declining influence in trade union power in Britain. Despite this decline it would be mistaken to underestimate the still relatively strong role which trade unions play in communication. This is demonstrated in Spain which showed a comparatively strong growth in trade unionism (albeit from a low base, and now around 10 per cent density) in the 1980s, backed by legislation requiring works committees in organisations employing more than 50 people (Filella and Soler, 1992).

Parallel to overall increases via staff representative bodies in four of the five survey countries, were even larger increases in verbal and written communication in all five countries. The ten country survey revealed similar trends (Price Waterhouse Cranfield Survey Report, 1991; Brewster et al., 1994:159).

These increases obviously indicate a greater desire by employers to increase communication, probably inspired by HRM trends which spread in the 1980s. France and UK show particularly large increases in both verbal and written communications which parallel the rise in team briefing and other team work methods, as well as increases in the more traditional written forms of communications. The survey in the following year, however, added questions to establish the major ways by which employees communicated their views to management, and trade unions and/or works councils still predominated in all ten countries (Price Waterhouse Cranfield Survey Report, 1991; Brewster et al., 1994).

It would seem that communication with and from the workforce is increasing at workplace level but the more established forms of communication and forms of employee participation such as unions, works councils, JCCs are still important in those organisations where they are established. The survey

conducted by Marchington et al. (1992) in UK organisations would seem to confirm this.

While research such as that generated by the Price Waterhouse Survey indicates trends, it fails to offer convincing reasons for them. The longitudinal study of the IDE group has attempted some explanations based on analysis situated in their international model of participation discussed earlier.

They came to three main conclusions. Firstly, "patterns of influence distribution in organisations are not significantly conditioned by contextual factors" (i.e. technology, size, sector, enterprise characteristics). Secondly, "on balance it would appear that the institutional framework for participation is not as important a determinant of pattern of influence distribution in organisations" as they originally had thought. Finally, "changes in the absolute and relative influence of workers and representative bodieswere found to be related primarily to two factors, changes in the general state of the labour market and the pre-existing distribution of influence within the enterprise" (IDE, 1993:141,142).

As we shall attempt to prove later, our in-depth findings would appear to support two of the conclusions from the IDE survey. Their view that institutional frameworks were less important was an interesting reversal of their findings from the first survey. We would tend to underscore this view, as we would endorse the last contention concerning labour market influence and the pre-existing influence within the enterprise. What we would take issue with is the first conclusion which claims that contextual issues do not have an influence. Clearly in the case of banking some effect of technological change has had an important impact on the restructuring of banks and the re-constitution of the employment relationship within it including employee participation. This we will examine in chapters 4 and 7.

There have been a number of other studies on employee participation and technological change. Fröhlich and Krieger (1990), for example, have examined the extent of employee participation in technological change in five E.C. countries - UK, France, Germany, Italy and Denmark. They discovered that in the four phases of introducing new technology (planning, selection, implementation and subsequent evaluation) workers were more likely to be involved in the latter stages and that full participation, particularly in decision making, remained relatively low for all countries and for all stages. Cressey and Williams (1990) in a similar survey, but covering all twelve E.C. countries, found

comparable results and posed a "paradox of participation." As the scope for influence by employees over the processes of technological change decreased, so the intensity of participation increased. In other words there was more scope for participation in the implementation stage (the latter stage) when participative influence concerning fundamental decisions were reduced, and less participation in the crucial earlier planning stages in the introduction of new technology, and this has important implications for employee commitment.

Gill (1993), using the same 12 country E.C. data analysed by Cressey and Williams (1990), perceives differences in attitudes between Northern European and Mediterranean countries which result in a wide diversity in levels of participation. Denmark, Germany, the Netherlands and Belgium have much greater employee participation than Portugal, Spain, Italy, Greece, France, Luxembourg and the UK. In France and UK, however, he argues, "there is a dependence by management on the skills and problem solving abilities of the labour force" (Gill, 1993:346). Nevertheless, he claims that 'in the United Kingdom there has been a shift away from negotiation towards more consultation during the last decade and management has become increasingly paternalistic in their style' (Gill, 1993:346). These differences are caused, he argues, by the diverse industrial relations practices in each country shaped by historical and cultural factors. In all three studies managers were of the view that increased participation was effective for the efficient implementation of new technology, but this may have the effect of compromising their prerogatives.

Boreham (1992) investigated the degree of employee control over labour processes in seven countries (Australia, Britain, Canada, Germany, Japan, Sweden and U.S.A.). He was particularly interested to know whether employee control was enhanced by the introduction of new practices associated with post-fordist systems such as flexible working linked to quality improvement and greater response to market conditions. The assumption here was that efficiency was improved by decentralisation and democratised decision making practices. The findings clearly indicated that "the nearer one approaches the core of status and power in the enterprise the more likely it is that one be allowed discretion over one's work arrangements" (Boreham, 1992:18). He also found that there was little evidence "to support the view that management will cede its decision making prerogatives in the interests of more rational production methods" (Boreham, 1992:21). This pattern was generally true of Japanese and Swedish organisations which are associated with employee involvement styles of management.

These surveys clearly indicate a contradiction in manager's perceptions that employee involvement is an effective way of increasing work efficiency, but is outweighed by the challenge to their prerogatives over decision making. Thus employee involvement is very limited and is more likely to take the form of information dissemination to, and consultation with the workforce which is not the same as 'empowerment' to which many HRM text books allude.

Boreham (1992) also stresses the significance of flexible employment patterns and involvement. In a world where increases in part-time, fixed term contract and short term working is becoming more pronounced he shows that these employees have even less involvement in workplace decisions, and that core groups, particularly in management categories, still hold far greater sway over the organisation and control of work. Such evidence casts huge question marks over growing trends, for example, 'zero hours contracts' alongside involvement schemes aimed at motivating workers.

Theories of Participation

It is apparent from the HRM theories examined earlier in the chapter that none offer an explanation of the power relationship within organisations. There is a tacit assumption that workers will want to be involved and committed once the 'right' HRM policies are in situ. As we have already indicated this a *priori* assumption may be false. By contrast the strength of those observers who have closely examined employee participation through its history and development is that they have attempted to explain the rise and fall of various employee influence mechanisms in terms of changing power relationships. Numerous influences have a bearing on the type, strength and sustainability of various participation schemes and trends. Unsurprisingly, therefore, commentators have attempted to discover patterns of E.I. and endeavour to place them into a theoretical framework.

For example, the relationship between the introduction of profit sharing with a high level of employment and industrial unrest up to the First World War has been indicated by Church (1971). Ramsay (1977; 1983) has argued that there are cycles of participation:

'managements have been attracted to the idea of participation when their control over labour has been perceived to be under pressure in some way. This perception has coincided with experience of a growing

challenge from labour to the legitimacy of capital and its agents. In Britain these challenges have coincided with the impact and aftermath of two world wars, and with the rise of shop floor union organisation at the same time as squeezed profit margins in the 1960s and 1970s. In each case mounting pressure, including demands for 'industrial democracy' from sections of the labour movement, helped to precipitate management response' (Ramsay, 1983:204).

Marchington et al. (1992) have pointed to 'waves' of employee involvement within organisations, which respond to external trends and cause the institution of new schemes and the revamping of old existing ones. For example a quarter of organisations in their survey sample had introduced their current schemes (survey period 1989-1991) between 1980 and 1984, "and several of these were share ownership schemes which appear to have been stimulated by legislative changes from 1978 onwards" (Marchington et al., 1992:25). Other schemes such as team briefing were introduced in the early 1980s recession to communicate 'gloom and doom' messages such as pay freezes and voluntary severance. Over half of the schemes of their survey group had been introduced within the last five years and tended to be TQM programmes of various types. The 'wave' concept, they point out,

'is analytically more useful than cycles, in that it does not presuppose any automatic repetition of events in an historical pattern, or any all embracing theory of waxing and waning which applies in the same way across all workplaces. On the contrary waves come in different shapes and sizes and last for different lengths of time in different organisations.'

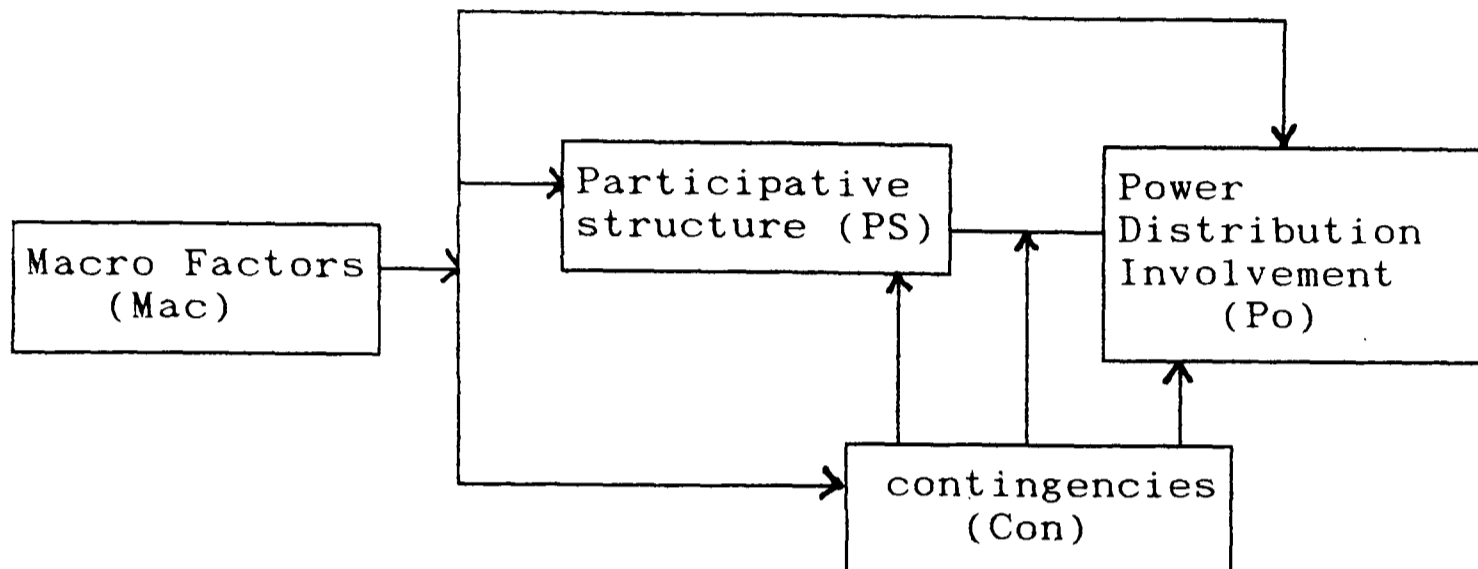
(Marchington et al, 1992:26).

Thus the importance of E.I. can only be understood if it is viewed as being central to the organisation, but not necessarily prominent. For example a joint consultative committee (JCC) may achieve a central position in an organisation over time, although the most prominent new measure may be team briefings. If the JCC becomes less important or dies out, another scheme may replace it and attain the status of centrality. Whether schemes are retained, reformed or dropped depends on multifarious influences within organisations, for example the values and beliefs of managers, which interact with other influences in complex ways.

The Industrial Democracy in Europe group constructed an international model to facilitate analysis of their longitudinal surveys in 1977 and 1987 in nine countries.

This postulated a relationship between formal rules for participation (Participative structures - PS), the distribution of influence and participation in companies, (Power - Po), organisational context factors (Con) as moderators and co-predictors of Po, and a set of attitudinal outcomes (O) (IDE, 1993:4).

Fig 3.1
Theoretical Core Model of IDE II



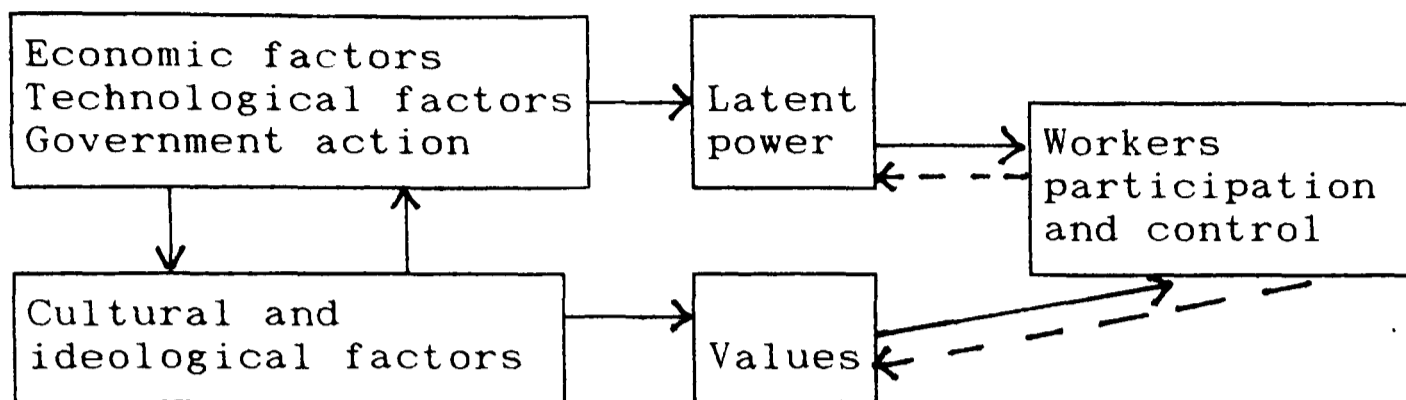
Source: IDE (1993:8)

The predicted relationship between participative structures, such as codeterminational laws, contingency factors such as size, sector and type of organisation, and the power distribution and degree of involvement in organisations (IDE, 1981), was extended in the later study to include Macro factors such as unemployment and labour market conditions (IDE, 1993:8). This model has a number of limitations which in turn constrained the analysis of the data which was generated by the research. This was a typical quantitative research project which attempted to 'measure' a limited number of variables and as a result cannot offer explanations of, for example, consensualism in Sweden and conflict in the UK rooted we argue, in work related and national values, which other literatures (as we shall see in chapter 5) attempt to address.

A more satisfying model has been constructed by Poole (1986) who has attempted to construct a theoretical framework to explain the influence of a wider range of variables. He sees workers' participation and control as being understood as a specific manifestation of power. This is linked with "underlying or latent power resources and a series of values which either buttress particular power distributions or facilitate their successful challenge" (Poole, 1986:28). The relationship of power sources is illustrated in Fig. 2.4.

Fig. 3.2

Poole's Basic Explanatory Framework of Participation



Source: Poole, 1986:29.

Poole postulates that:

'workers' participation and control are reflections of the latent power of particular industrial classes, parties or groups and the 'value' climate which may or may not be favourable to participation experiments. These values thus mediate between certain structural factors associated with latent power and their realisation in the form of workers' participation and control. It will also be seen that the principal structural factors associated with the latent power of the main industrial classes, parties or groups are economic factors, such as the levels of employment, the profit margins of particular companies, the levels of competition, the degree of industrial concentration and periods of economic 'disintegration'; technological factors, such as the approximation of the technology of a company to a given point on the 'technical scale', the degree of complexity and education involved in any given task and the effects of the micro-electronic revolution; and finally, various forms of government action such as legislation on labour issues, its intervention in the workings of the economic system and so on.' (Poole, 1986:28) [Poole's italics].

Finally, "values about participation and control are shaped by the existing levels of workers' participation and control, latent power, government action and ideologies" (Poole, 1986:29).

While this framework pinpoints the major factors influencing types and styles of employee participation and control, it cannot clearly demonstrate how these factors interact to produce such systems. Nevertheless, it is a useful model to aid understanding of these complex processes and one which

we will use as a tool of analysis for this research. In the rest of this work we will attempt to demonstrate the analytical context within which employee participation operates in the banking environment in Sweden and Britain, but first it is necessary to explain various comparative employee relations theories and the way in which the Poole model acts as an heuristic device to contextualise a number of hypotheses which focuses the research.

Theories of Comparative Employee Relations

The major concern of this section is to examine some of the theories which attempt to explain comparative behaviour in societies particularly in regard to the employment relationship. Here we shall use the Poole framework of workers' participation as a model to contextualise a number of hypotheses. But first we must examine some of the work of prominent thinkers who have attempted to elucidate and elaborate the theoretical underpinnings which attempt to explain the processes influencing human resources in an international context.

Discussion of Approaches to the Comparative Study of Societies

The comparative study of societies has long been regarded as desirable. Early sociologists such as Comte, Durkheim and Weber argued that it "should be an integral part of sociological analysis, not only for the investigation of specific empirical variables, but also for the study of large scale social processes" (Scase, 1977:9).

Only by the use of comparative methods of investigation, they argued, was it possible to identify patterns of human development and to understand social structures. These approaches to research were largely ignored in the inter-war years chiefly due to the influence of the Chicago School because "they tended to ignore the 'grand theories' of earlier sociologists and limit themselves to what was felt appropriate for precise measurement and statistical qualification" (Scase, 1977:9).

In the post war years there was a revival of interest in overarching theory particularly in the 1960s and 1970s when Marxist influences became strong within academic institutions. There was also an increasing perception that the world was being rendered increasingly smaller by means of communications which McLuhan (1964) summed up in the epithet "the global village." The advent and growth of

international organisations in the post-war world, such as the UN and the EEC (EU), and their various agencies, as well more sinister pacts among nations such as NATO, CENTO, SEATO and the Warsaw Pact, have made people aware that national and regional policy exert an enormous direct and indirect influence on their lives.

These international trends were also echoed in the world of business and commerce with the growth of large scale multinational companies exercising a global presence and the increasing expansion of international trade (Porter, 1990). As a result a number of theories have emerged to analyse these international processes and the way they affect the employment relationship within organisations.

Convergence Theory

A number of researchers from a variety of academic disciplines began to attempt to analyse these global trends. One of the most influential works in the study of the industrialisation process in an international context was that by Kerr et al (1960), who posited the view that technological change ultimately creates similar industrial systems. These systems are rooted in the industrial organisation where technology imposes the need for similar structures and work forms. This growth in similarity of organisational structures over time they called Convergence or Contingency Theory.

A claim of the Convergence School is that when organisations reach a certain scale, defined by the numbers of employees, it becomes necessary to introduce functional specialisation. Coordination and control of these functions results in a more formalised system of organisation with rules and regulations and hierarchies. More staff are thus needed to perform these roles with parallel development of more centrally controlled systems (Kerr et al, 1960:258).

In other words ways of working in countries throughout the world become similar when influenced by the same technologies and organisation size. For example car plants whether in Brazil, South Africa, Britain or the United States will have similar production lines which in turn influence the kind of human resource and work policies each nation will tend to follow, for example speed of the line, control over the work process and payment systems etc.

Later Kerr (1971) revised his views on Convergence Theory and claimed that he and his colleagues had been far too simplistic in explaining how technology influences

organisational structure and behaviour. Other critics claimed that the convergence approach only considers formal structures and remains insensitive to informal structures within organisations. Cultural theorists have also taken convergence theory to task. National culture it was argued has an enormous influence on work related values (Weinshall, 1977; Hofstede, 1980).

Nevertheless, the theory has enjoyed some revival in a revised form in recent years. Mueller and Purcell (1992:15) for example claim that in the automobile industry "convergent forces in the shape of globalisation of markets, European legislation and common product standards, as well as the easing of cross border shipments of components or half finished products, have led to the emergence of remarkably similar operational requirements in management policies in various countries."

The Cultural Approach

Cultural theorists such as Geert Hofstede refute the main arguments of the convergence school and believe "that there is no evidence that the cultures of present-day generations from different countries are converging" (Hofstede, 1991:17). Hofstede believes that cultural influences play an enormous part in the way employees behave in organisations and that the introduction of technology produces only superficial similarities.

However, due to its highly subjective nature and the multiplicity of meanings of culture, social investigation using empirical tools is made very difficult. Measuring attitudes in human beings is difficult enough (as the wealth of research work in the social sciences testifies) but the application of numerous cultural values to the equation makes the work of disentangling one value from another extremely problematic if not impossible (Roberts, 1970). The cultural values of the researcher must be considered and how much they are embodied in the research, from its conception to the analysis of the findings (Hofstede, 1980). This is an issue which we will pursue in more detail later in the work when considering the influential factors upon employee participation and power in the Poole model.

The Institutional Perspective

This view essentially sees the business environment as socially constituted. In other words the influence of national and regional institutions and the historical

traditions from which they have emerged are important to understanding why institutions differ throughout the world.

For example employee participation has evolved in diverse ways in different countries according to historical influences and structural developments. In Germany and Sweden there is strong structural support for employee participation from legislation. By contrast the UK has little formal structural support leaving the employer voluntarily to provide employee participation mechanisms to meet their own needs in their own way. The way in which such institutional arrangements develop depends on evolving and interweaving strands of history rooted in the social values of the national entity combined with economic and technological influences.

This approach is most strongly associated with the French Aix group of which Maurice is the most noted exponent (Brossard and Maurice, 1976; Maurice et al., 1986). Supporters of the Institutional Perspective claim that it avoids the controversial issues associated with cultural theory which can be heavily laden with culturally based value judgements. However, significant work using an institutional perspective does rely to some extent on the interpretation of culture. Dore's work comparing a British and Japanese corporation shows how the Japanese employment system is "partly an adaptation of earlier pre-industrial patterns, partly a conscious attempt to create new arrangements consonant with dominant cultural values, and partly the result of borrowing elements from industrialised nations." (Dore, 1973:404).

Marxist Theory

This approach emanates from the ideas of Marx and his view of the development of capitalism. Like Convergence Theory this view initially ignored cultural and other informal influences on organisational development.

Essentially this view sees capitalism as a mode of production in which private ownership of capital and competition between capitalist enterprises are the primary features. The need for profit drives the system which is achieved by appropriation of surplus value from labour i.e. paying a wage which is lower than the value of the goods. Therefore in order to be competitive there is a need to exploit labour for higher and higher productivity for comparatively less return. In order to exploit labour more intensely later Marxists have emphasised the mechanisms which employers use to control the workforce.

A relatively recent re-interpretation of the Marxist view of capitalism was developed by Braverman (1974). The Marxists, unlike the Convergence Theorists, shift from emphasis on the structure of the organisation to the relationship between management and labour. In other words there is a focus on the actors in relation to the processes of production.

Braverman (1974) and his followers emphasise the importance of managerial control over the workforce, deskilling and the cheapening of labour. They stress the need for managers and owners to break down the skill processes by the use of new technologies and the implementation of flexible work practices in order to reduce costs, and ultimately, to reduce control over the labour process by the workforce. The variety of management labour relations throughout the world merely reflects the various stages of capitalism through which economies are passing.

Since Braverman's work there have been a number of refinements and challenges to his thesis, many sharing the Marxian perspective. Edwards (1979) focuses on the move away from more coercive methods rooted in new technology with its associations with Fordist and Taylorite managerial control mechanisms, to 'bureaucratic control' systems aimed at the dual goals of dissolving class solidarity while maximising commitment to, and dependence on, the firm. "Promotion, pay, security and other benefits go to employees who are good corporate citizens, who are loyal to the company, share its values and integrate themselves and their families into the enterprise community" (Lincoln and Kalleberg, 1990:9). Such managerial initiatives fit particularly well with HRM conceptualisations.

Friedman (1977) has divided managerial control systems into direct control and responsible autonomy. Direct control is associated with rules, regulation, work organisation and technology which directly control the behaviour and work rate of the employee. This is strongly associated with the Fordist-Taylorite approach. Responsible Autonomy allows the worker and the work team a degree of control over the work process and "attempts to harness the adaptability of labour power by giving workers leeway and encouraging them to adapt to changing situations in a manner beneficial to the firm. To do this top managers give workers status, authority and responsibility. Top managers try to win their loyalty, and co-opt their organisations to the firm's ideals (that is, the competitive struggle) ideologically" (Friedman, 1977:78). This again has strong resonances with developments in HRM in the 1980 and 1990s particularly in terms of participation schemes like TQM which aim at enhancing

commitment to the organisation by allowing degrees of autonomy to the workforce. Edwards (1992:390) points out, however, that such HRM apologists as Walton (1985) who speak of a move from control to commitment, partly by means of employee involvement and participation policies, should perceive that commitment "is still a form of control."

Burawoy (1979) has also developed a dual perspective of management regimes which rely on coercion or consent. Earlier capitalist systems relied heavily on the former approach and adopted autocratic methods of workforce control particularly in response to intensive capitalist competition. Latterly the adoption of more subtle approaches to the employment relationship has emphasised policies designed to induce commitment in the employee. This has been caused to some degree by the softening of overt autocratic systems by state regulation and welfare policy. Burawoy (1983) sees such new approaches as creating an hegemonic regime whence coercive compliance is replaced by normative control as management makes concessions in order to persuade the employee to cooperate in furthering the success of the organisation. Once again we can discern echoes of HRM policy initiatives in such hegemonic systems.

In the light of recent events in Eastern Europe and elsewhere which have witnessed a rise in nationalist aspirations the revisionist views of neo-Marxists such as Habermas, Berger (Wuthnow et al, 1984; Nelson and Grossberg, 1988) and Halperin (1988) have come under serious consideration, in that they attempt to synthesise cultural theory to the development of capitalism, a subject we will examine partially below and in more detail in chapter five.

A Synthesis of Approaches

The analysis of the research in this work is in many ways, an attempt to combine these approaches in analysing and understanding the processes of one particular part of the employment relationship - employee participation.

As we have already noted in previous chapters it has underlying ideological significance for those who view the employment relationship from a Marxian or socialist perspective and those who essentially perceive employee participation as one of a range of policies which management can use to engender commitment as part of a human resource strategy. Added to the equation are influences in the form of organisational and national values influenced by culture and institutional restrictions.

This work attempts a synthesis of the major ideas and approaches which have influenced the scope, direction and ideological interpretation of comparative research in employment relations. Each has its weaknesses and limitations, which adherents as well as critics usually acknowledge. We have seen how the weakness in convergence theory has been critiqued by those who view the workplace experience through a cultural paradigm, and that cultural theorists themselves acknowledge the limitations of their own forms of enquiry. Recently many Marxists have begun to examine the limitations of the basis of dialectical materialism rooted purely in an economic determinist and positive tradition. Some Marxists have turned towards an examination of indirect forms of control in the work place and the role of culture in influencing attitudes and behaviour (Nelson and Grossberg, 1988; Halperin, 1988) most notably Habermas (Wuthnow et al, 1984). The institutional perspective while valid, fails to take account of a number of important dimensions (eg the cultural perspective) and as a result can only offer a unidimensional view of the employment relationship.

Essentially then the four approaches to the employment relationship in a comparative context can be placed in convergent and divergent categories as illustrated below.

Table 3.1

A Synthesis of Theoretical Approaches to Comparative Employee Relations

CONVERGENT

Convergence or Contingency Theory - Kerr et al, Purcell and Mueller, McLuhan.

Marxist Theory - Braverman, Friedman, Edwards, Burawoy.

DIVERGENCE

Cultural Theorists - Hofstede, Laurent, Trompenaars, Hall

Institutional Perspective - Aix School (Maurice et al), Sorge and Warner, Dore, Gallie.

Bearing in mind the limitations of each approach the Poole model offers a heuristic device with which to examine employee involvement while allowing for a number of

different perspectives, be they Marxian, convergent, institutional or cultural.

Models and Hypotheses

Frankfort-Nachmias and Nachmias (1992:44) have formally defined a model as "an abstraction from reality that serves the purpose of ordering and simplifying our view of reality while still representing its essential characteristics."

This representation of reality also posits relationships between variables such as economic conditions, new technology, cultural and ideological factors, institutional laws etc, which have a bearing on the outcome of employee participatory practices. By using the Poole model we can examine some of the factors which influence the Swedish and British experience and outcomes of employee participation. From this examination of various secondary sources we propose a number of hypotheses.

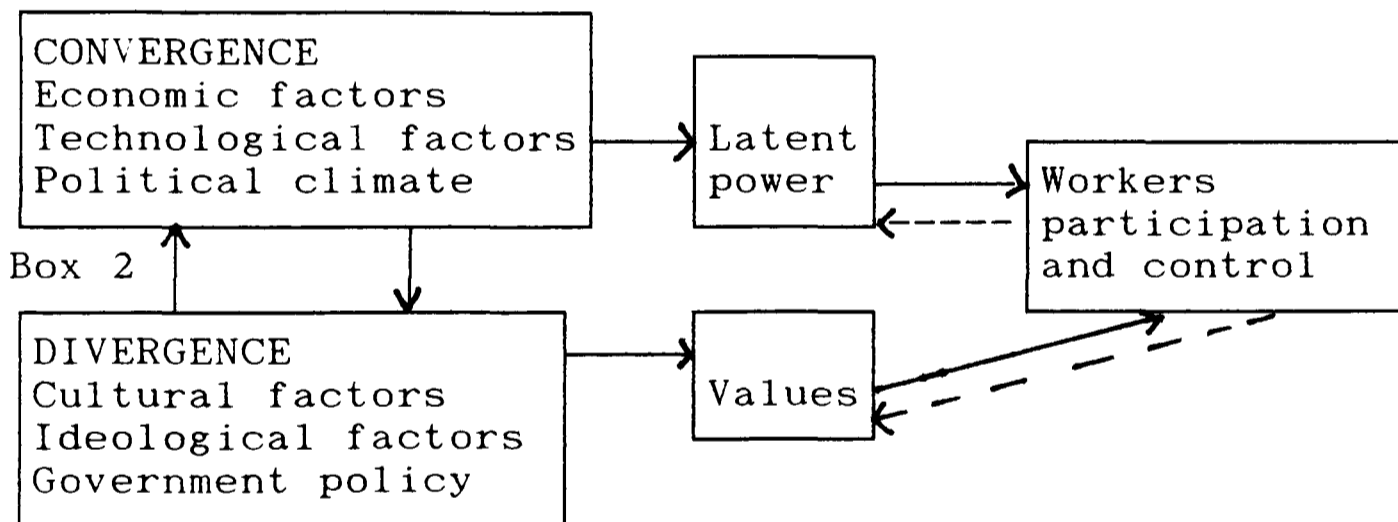
The hypotheses upon which this work is predicated provides tentative explanations for the similarities and differences of how employee involvement is perceived by the workforces in Sweden and Britain. The research provides an empirical test which seeks to demonstrate whether the hypotheses are supportable or not. The hypotheses themselves are also rooted in the four explanations previously discussed and rooted in the dual categorisation of convergence and divergence.

According to the Poole model latent workers power in terms of participation and control is directly influenced by economic and technological factors and government action (Box 1). The values which the workforce adhere to are influenced by cultural and ideological factors (Box 2) and also have a bearing, be it direct or indirect, on the way in which workers participation and control will operate in different cultural settings. A fuller explanation of these two box factors will be undertaken in chapter three, but suffice to say here that Box 1 represents convergent forces - forces which have a direct bearing on all economies, and Box 2 represents divergent forces - forces which will mitigate against similar outcomes in differing cultural contexts. One problem with the attachment of convergent and divergent labels to the boxes is that government action could fit easily into both boxes in that countries often have differing governing parties but often are forced to pursue similar political trends. For example the French Socialist government in 1983 reversed their previous attempts to spend its way out of recession and high

unemployment when the balance of trade deficit became too high. They were forced to follow the political trends set in USA and Britain in this sense although there were critical differences in other aspects of political policy. We have therefore called convergent political trends 'political climate' and placed this in Box 1, and those countries with differing complexions of political governance and placed in the divergence box (box 2) and called 'government policy.' In the case of Sweden and Britain in the 1980s and from 1993, Sweden had a series of Social Democratic governments while Britain had a succession of Conservative governments. Each governing party had largely different ideologies. In reality, however, forces of convergence in global economics often forced both governments to take similar actions, such as cuts in public expenditure, despite differing basic policies derived from different political ideologies. The model has thus been modified to take these factors into account (Fig. 2.5)

Fig 3.3
Adaption of Poole's Basic Explanatory Framework of Participation

Box 1



Source: Poole, 1986:29.

From this model and its interpretation in the context of Sweden and Britain a number of hypotheses can be posed in the light of the literature review conducted in this chapter. These hypotheses will be used as a measure and a focus for the findings.

Hypothesis One

Proposes that Swedes are allowed greater 'real' participation in their work place than the British. This has its roots in the cultural and ideological differences of the two societies.

This is rooted very much in the Box 2 factors of the Poole model. In this instance 'real' participation signifies genuine feelings of involvement by the workforce in decision making in their work processes, and it is proposed that this flows from more genuine democratic practices and values in Swedish society. We see this proposition rooted in Poole's adapted model in what we have called Box 2 factors which influence the values of the workforce i.e. the values they bring to the work place. Such values act as forces for divergence in a comparative context, in this case the comparison of employee involvement practices between the British and Swedes. Institutional theory would also suggest that Swedish and British organisational structures and management practices are fitted to indigenous (Swedish and British) norms and values in such a way as to elicit favourable motivational and behavioural responses from workers steeped in British and Swedish culture. This leads to an isomorphism between work values and organisational forms (Lincoln and Kalleberg, 1990:19). This is an important concept as other literature concerned with comparative E.I. tends to ignore the cultural and ideological dimension which may impact on the process.

Hypothesis Two

Proposes that the capitalist drive for profit will negate the participatory process and override such mechanisms if it is felt by management to be necessary for survival.

Hypothesis Three

Proposes that given the nature of capitalist organisations any challenge to the power and prerogatives of management (particularly senior management) by the workforce will be resisted and negated.

These hypotheses are rooted in the Box 1 Convergent factors of the adapted Poole model and are made predictable by the Marxian conceptions of the capitalist mode of production. Firstly, the quintessential *raison d'etre* of such organisations is survival and ultimately profitability. Secondly, the pursuit of these goals will lead to mechanisms

(such as employee participation measures) which enhance 'commitment' and thus, it is hoped, greater efficiency in working practices. We predict that contradictions will occur in these processes if management perceives that elements of power and control by the workforce and its representatives (unions etc) may threaten the senior managements "right to manage." This will be 'inevitable' at a time when adverse economic circumstances pose a threat to the organisation, then the perceptions of self interest of management and the workforce will diverge dramatically, leading to the assertion of the managerial prerogative, and thus undermining participatory policies.

Hypothesis Four

That HRM techniques of employee participation are used mainly at a micro (workplace) level in the organisation as they can be safely distanced from any strategic decision making.

This hypothesis is also rooted in Box 1 convergence factors of the adapted Poole model, in the sense that Swedish and British managers will respond similarly in limiting power and control of the workforce to areas of the organisation where HRM practices such as employee participation can enhance the productivity of employees. The participatory strength of these measures will be greater at the micro level which is distanced from strategic decision making but will be restricted at macro level where management will feel a need to restrict the influence that the workforce and their representatives exert on organisational policy, given the perceived diverse interests of management and employees in the outcomes of dealing with economic crises.

Conclusions

In essence it seems that there is a contradiction in what employers and managers want from employee participation and what they are prepared to allow to the workforce in terms of empowerment and control. In ideological terms the control of the organisation rests in the hands of the upper realms of the hierarchy either the board or within the senior management teams and there will be resistance against attempts to extend significant power to workers lower down the organisation. Thus the concept of 'industrial democracy' per se is perceived as a power challenge even in societies which allow considerable autonomy to the workforce and have in situ sophisticated structures of co-determination such as those which exist in Sweden and Germany. This power

'balance' will also shift with changing economic and political climates and management will allow considerably more concessions in times of labour shortage than in times of recession when worker power is much weaker.

The idea of 'empowerment' and 'employee influence' at micro (work place) level has greater justification for management in HRM terms as the rationale for the introduction of E.I. policies is to ultimately increase the efficiency of the organisation. Management faces a dilemma in terms of how much power to extend to the workforce while harnessing their creative energies, and at the same time not undermining managerial prerogatives. This conundrum is in many ways a central one to the whole debate concerning HRM and modern organisational practices such as delayering of middle management structures, the introduction of new technology, TQM, the creation of flatter organisations, culture change and other initiatives. Perhaps the working out of these power balances is a continuing part of the managerial process, until, that is, the structure of ownership in society radically change. Equally important is the relationship between middle management and senior management, which to some extent can be seen as similar to that between workforce and middle management, but overlaid with elements of status and role strain.

Another factor at both organisational and workplace levels is the influence of cultural values to which many writers on employee participation ultimately allude. These and other issues will be discussed in chapters 4 and 5 within the analytical framework of Poole's model of participation.

Chapter Four

Political, Economic and Cultural Background: Sweden and Britain

This chapter sets out to explore the diversity of influences on employee participation in Sweden and Britain using Poole's Framework of Participation (1986:29) (Fig 4.1). As we have already noted in the previous chapter convergence factors, such as economic and political circumstances and the state of technology within a sector, influence workers' latent power which affects the outcomes of workers' participation and control. Thus in recessionary times we might suppose that workers' power decreases and in boom times increases, but this is tempered by the type of government in power and the legislation it introduces, and by other influences for example world economic trends and the effects of technological developments. For example new technology can have a considerable effect in de-skilling the workforce and therefore reducing their ability to exert control over the labour process (Braverman, 1974). Equally employees with highly specialised knowledge which may be in short supply could hold considerable sway over their work. These effects are, of course, constantly changing with each new phase of development. Influences on employees latent power of participation and control are thus multifarious and complex.

These overt influences we see situated in Box 1 of the Poole model. In addition there are less overt divergent factors which have an effect on outcomes of employee participation, such as culture, work related values, ideology and to which we have added government policy. These influences in Box 2 provide the inimical values to which the majority of people in each society conform. In basic terms the ideology of consensus has been stressed in Sweden tempered by a welfarist view of society; whilst in Britain the emphasis in ideological terms has been on the individual and their efforts in response to a market oriented enterprise culture. While these are, of course, generalisations they contain a considerable degree of truth which this chapter seeks to investigate.

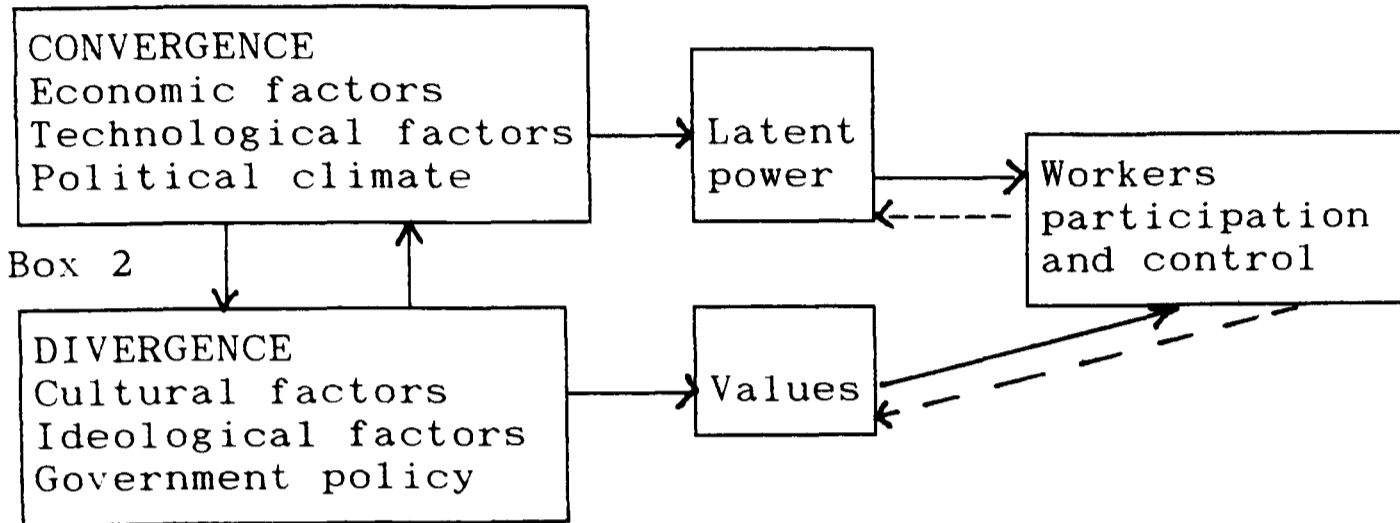
The combined effect of Box 1 and Box 2 factors further increase the complexity of influence on outcomes of workers' participation and control, which, with unsubtle analysis can lead to a number of false assumptions. For example a dogged economic determinist view has often lead Marxist

commentators to mistaken assumptions about the nature and direction of employment and political trends.

Fig 4.1.

Adaption of Poole's Basic Explanatory Framework of Participation

Box 1



Source: Poole, 1986:29.

BOX 1 FACTORS: ECONOMIC, POLITICAL, TECHNOLOGICAL

Economic Factors: Contrasts and Similarities

In Poole's model Box 1 factors "influence the strength of workers *vis-à-vis* management" (Poole, 1986:30). Most obviously the state of the economy, whether in recession or boom, has a fundamental influence on this employment relationship. Such influences include levels of unemployment which in turn can severely affect the latent power of unions and other forms of employee representation in terms of the strength of their position in collective bargaining. These influences can be further contorted at a micro level by a number of market criteria, most notably "the profit margins of particular companies, the degree of competition experienced in a given industry, and whether the industry is an expanding or contracting one" (Poole, 1986:31).

In this analysis of economic factors emphasis is placed on macro economics and micro economic factors such as the performance of the firms in relation to developments in the banking and finance industry to be dealt with in chapter 5.

In examining the British and Swedish economies it is evident that there are a considerable number of similarities and

contrasts. The most striking differences between the two countries concern population and country size. Sweden has a population of 8.5 million and is the third largest country in Western Europe in land area. By contrast, the United Kingdom has a population of 57 million in a country nearly half that size. Thus the population densities are in stark contrast with Sweden having only 19 people to the square kilometre, compared to Britain's 235 (Table 1). Britain's problems are compounded further by the fact that the largest proportion of the population lives and works in London and the South East.

Table 4.1
Population: Sweden and United Kingdom 1990

	<u>Sweden</u>	<u>United Kingdom</u>
Population (millions)	8.6	57.4
Inhabitants per sq. km	19	235
Net average increase over previous 10 years	0.3	0.2

Sources: OECD, 1993a; OECD, 1993b.

Both are Northern European advanced economies with highly developed service sectors. Sweden's industrial development took place much later than Britain's beginning only in the late 19th century (Jörberg, 1970), whereas in Britain this process took place over a hundred years earlier (Landes, 1969). Both now have relatively few people working in the agricultural or extractive industry sectors, and both nations need to be export oriented given their relatively declining natural resources (Table 4.2).

Table 4.2
Employment By Sector in Sweden and United Kingdom, 1990

	<u>Sweden</u>	<u>United Kingdom</u>
<u>Total Civilian Employment</u> (TCE) Thousands	4,508	26,577
Agriculture % of TCE	3.3	2.1
Industry % of TCE	29.2	29.0
Services % of TCE	67.5	68.9

Source: OECD, 1993a; OECD, 1993b.

Swedish citizens enjoy a higher average living standard than UK citizens, and in terms of per capita GDP, 55% higher than the UK, although higher prices and taxation in Sweden narrow the purchasing parities gap considerably (Table 4.3).

Table 4.3

Comparative Data Sweden and United Kingdom 1990:

GDP; Government Expenditure; Wages and Prices; Foreign trade

	<u>Sweden</u>	<u>United Kingdom</u>
<u>Gross Domestic Product</u>		
at current prices & exchange rates (Bill US \$)	228.1	975.1
per capita (US \$)	26,252	16,985
At current prices using purchasing power parities (Bill US \$)	144.6	911.8
per capita (US \$)	16,896	15,882
Average annual volume growth over previous 5 years	2.1	3.2
<u>General Government</u>		
current expenditure on goods and services (% of GDP)	27.1	19.9
current receipts (% of GDP)	63.9	40.0
<u>Wages and Prices</u>		
(Average annual increase over previous 5 years)		
Wages (%)	8.2	8.5
Consumer prices (%)	6.2	5.9
<u>Foreign Trade</u>		
Exports of goods, fob (Mill US \$)	57,422	185,710
As a % of GDP	25.2	19.0
Average annual increase over previous 5 years	13.7%	12.9%
Imports of goods, cif (Mill US \$)	54,659	225,327
As a % of GDP	24.0	23.1
Average annual increase over previous 5 years	14.0%	15.5%

Source: OECD, 1993a; OECD, 1993b.

The two countries have highly developed forms of welfare state and government control of large sections of the economy. This remains the case despite the fact that the UK has experienced vigorous attempts to privatise industry and energy and cut back state expenditure in recent times. Not surprisingly Sweden spends more on government goods and services as a percentage of GDP with concomitant higher taxes (Table 4.3).

Sweden has the largest public service sector in the western world, with just over 60% of its GNP devoted to public expenditure and approximately a third of the workforce having jobs in the public sector. The burden of maintaining a large public sector has in recent years fuelled a debate that "the welfare state has become a large incubus holding back economic growth" (Taylor, 1990a). However, the vast majority of Swedes are satisfied with the welfare state. Ericson of the Swedish Institute of Economic Research argues "what they criticise is the way the system is administered, not the principles upon which it is based" (quoted in Taylor, 1990a).

Overseas Trade

The future prospects of the Swedish economy are the subject of intense discussion given the difficulties of remaining profitable in an increasingly competitive world. Sweden's exports as a percentage of GDP at 25% are therefore high. Britain, which also relies on exports, by contrast is only 19% expressed as a percentage of its GDP (Table 4.3). Despite its small size Sweden has developed a surprisingly large proportion of big companies and out of the top 500 European firms by capitalisation 22 were Swedish. These firms provide a considerable chunk of Sweden's exports and their size is reliant on the ability to export goods or manufacture their products in overseas subsidiaries (Kjellberg, 1992:92). Unfortunately both countries have regularly recorded deficits in their balance of trade in recent years. The average annual increases of exports and imports over the past 5 years shows a higher increase in exports in both countries (Table 4.3) resulting in increased trade deficits.

In the past governments of both countries have tried to extricate their economies from these difficulties by devaluing their currencies. Britain did so in 1949, 1967 and 1994 (Sked and Cook, 1984:97,225) and Sweden in 1976 and 1982 (Taylor, 1990a; Taylor, 1990b). While these measures bring temporary relief, in the long term the problem has always returned to haunt both economies, and more substantial and painful measures have had to be undertaken. These measures will be examined in greater detail in the political development section.

Cognisant of these world and European changes many Swedish MNCs boards of directors have taken measures to 'buy into' companies in the European Community and increase their commitments overseas. Several companies such as IKEA, the furniture manufacturer, and Tetra Pak, the packaging

manufacturer (which gave the world the juice box) have moved their corporate headquarters out of Sweden (Kelman, 1991:15). Some commentators have argued that these concerns have had an influence on Swedish management which has moved from an employee centred style to a more production (and profit) centred style in the last few years (Ekvall and Arvonen, 1989), but an in depth examination of management styles will be made later.

Both Britain and Sweden have always been internationally oriented. Britain's recently dismantled Empire has given it strong overseas links through the Commonwealth. Common ties of language, politics and culture have given Britain close relationships with USA. Its influence in world markets remains strong despite relative recent decline. In addition its membership of the EU gave greater cause for the British to see themselves more as Europeans, despite the recent rejection of European Exchange Rate Mechanism (ERM) and the Social Charter.

Sweden's neutral position throughout two World Wars and its strong participation in the United Nations has given it world respect, if not influence, in international affairs. Its large corporations - Volvo, SKF, Electrolux, Ericsson, ASEA, Alfa Laval, AGA and others - have all grown significantly in their overseas operations in recent decades. But the Swedes are still in many ways seeking an international role and one which by its positive nature may clash with its traditional neutrality (Brewster et al, 1993). Neutrality in world affairs has also allowed Sweden to develop relatively unhindered by external diversions such as wars, which have, by contrast, drained British resources from time to time. Nevertheless, like its Nordic neighbours Denmark and Finland, Sweden has joined the European Union with the reluctant but increasing realisation that its future is inextricably bound up with Europe, and many Swedes, particularly in the business community, wish to be able to influence European policy through its membership of EU institutions (Taylor, 1990b:3; Kjellberg, 1992:101).

British and Swedish Labour Force

Examination of the Swedish and UK labour forces reveals that Swedish women have a higher participation rate than their British counterparts. This gives statistical support to the view that "one of the areas of striking difference between Sweden and other Western societies is the generally advanced status of women, and the lesser degree of sex-role differentiation" (Tomasson, 1970:165). Even the relatively recent 1990s figures show a 16% higher participation rate by

women in Sweden than in the UK, and while women's pay in both countries is on average less equal than men's, Swedish female salary as a proportion of men's salaries is still 21% higher than that of women in the UK (Table 4.4). Having the narrowest sex-role differentiation in the world also reinforces the accepted view of the egalitarian nature of Swedish society in general (Tomasson, 1970: 168).

Table 4.4
Labour Force Statistics: Sweden and United Kingdom

	<u>Sweden</u>	<u>United Kingdom</u>
<u>Labour Force Participation</u>		
Men	88%	89%
Women	84%	68%
Women as % of Total Labour force	47.23%	39.69%
Total Labour Force Participation (Men & Women)	86%	79%
<u>Part-time Employment</u>		
As % of Total 1978	24%	16%
As % of Total 1990	23%	22%
Men as % of Total 1979	6.5%	1.9%
Men as % of Total 1990	7.3%	5.0%
Women as % of Total 1979	46%	39%
Women as % of Total 1990	40%	44%
Women's share in part-time employment	84%	87%
<u>Hourly Labour Costs (1990)</u> (Index USA = 100)		
	141	84
<u>Productivity (GDP per employed person)</u> (thousands of \$US)		
	26.7	28.1
<u>Women's Pay</u> (as % of men's) (hourly earnings in manufacturing)	89	68

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Unemployment (Seasonally adjusted)

1980	2.0%	5.6%
1985	2.8%	11.5%
1990	1.5%	6.9%
1991	2.7%	9.9%
1992	3.6%	9.6%
1993	9.0% (c,d)	10.6% (c,d)
1994 (Jan)	8.9% (c,d)	9.9% (c,d)

Union Density

1980	80%	51%
1988	85%	42%
OECD rank order 1988	1/24	12/24

(Reference period for all undated data: 1990.)

(Sources: OECD, 1993a; OECD, 1993b; (c) OECD, 1994a; OECD, 1994b; (d) Employment Gazette, April, 1994:S30,S31)
 Union density in Sweden at 85% is very high, not only higher than the UK, but one of the highest in the world, and this is as true for white collar workers as for manual workers (Kjellberg, 1992:93). The very low unemployment levels which have prevailed in Sweden until recently (Table 4.4) are a testament to the efficient operation of the labour market more than the efficiency of the economy. Sweden's unemployment, however, is in marked contrast to the levels of unemployment experienced in the UK in 1980s, which reached a peak in 1986 of 11.6 % and rose once again in the recent recession (Bamber and Whitehouse, 1992:353).

These figures also indicate some problems which have come to haunt Swedish employers and politicians. The hourly labour costs are far higher than in Britain and USA, and more alarmingly, the rate of productivity is lower than the UK in 1990 (Table 4.4). The recent recession, with unemployment rising to over 8%, has brought home more than ever that in a competitive world the costs of production, particularly labour, which makes up a large percentage of overall costs, have to be lowered or made more productive. These developments together with low growth rates since the 1960s in Sweden compared with other OECD countries have had a considerable impact on the balance of trade (OECD, 1993a; OECD, 1994) and on government policy and the working of the 'Swedish Model,' an issue discussed in more depth below.

Britain has also had to deal with considerable economic problems in terms of unemployment, balance of payments deficit, and general long term economic decline which in many ways are more acute and deep seated than those of Sweden. The Thatcher governments attempted to deal with

these difficulties by neo-liberalist policies influenced by Hayekian economics. These policies will be explored in more detail in the political section.

Education

Both countries have highly developed educational systems but marked differences have often been mentioned, generally casting British education in a comparatively unfavourable light (Lawrence and Spybey, 1986:44). Sweden has more students receiving higher education per 1000 population than Britain, and the majority of school children stay on after 16 years of age. In Sweden 76% of 16 to 18 year olds remain in full time education, whereas in Britain the majority tend to leave school at 16 years old, with only 35% continuing their studies in full time education (DES, 1990:7). Sweden's educational system is more vocationally oriented and higher emphasis is placed on education and training in engineering, technical subjects and languages than in the UK.

Political Developments

Political developments have considerable influence on government action (one of the key influences in Box 1 of Pooles model) and in both Britain and Sweden there have been fundamental changes in government ideology since the 1970s.

The move towards neo-liberalist policies under the Conservative governments of Margaret Thatcher pre-dated the election of a coalition Conservative government under Carl Bildt in 1991 in Sweden by a decade. Both governments represented for each of their countries a shift to the right and set out to reform and undermine the welfare state and the concept of state ownership, the two policy pillars upon which both the British Labour governments of the 1970s, and the Swedish Social Democratic governments of the 1970s and 1980s had rested. The following survey of Swedish and British political developments concentrates particularly on policies which have influenced the employment relationship.

UK Government Policy in the 1980s and 1990s

The advent of Margaret Thatcher as Prime Minister in 1979 lead to a volte face of the policies pursued by previous Labour and Conservative administrations. There was a turning away from the politics of consensus, and, in economic terms, a move to the policies of the free market (Kirby, 1987:193). This meant reducing taxation with a consequent reduction in budgets for health, education, welfare benefits, local and

national government and subsidies to industry. Privatisation of state industry and services was also introduced to further this move away from reliance on the state. A cult of individual responsibility was fostered through private pension and health schemes in the areas of social welfare, the encouragement of a 'property owning democracy' and the raising of the small businessman to a cult status as a symbol of individual enterprise and initiative. Inflation was seen as the main enemy and less emphasis was placed on curing the previous Conservative, and particularly previous Labour government's post 1945 'sacred cow' that of unemployment. The turning away from the collectivist consensus was such that Thatcher proclaimed that there is no such thing as society! (Randlesome, 1990:161).

The first Thatcher government 1979-1983 in economic terms was not an unalloyed success as a combination of high inflation, government policy and a worldwide recession led to a sharp recession in the UK in 1980-81. GDP fell by 2.7% over 2 years and unemployment rose to a peak in 1986 of 3.1 million (OECD, 1993b). There was rioting in many cities in 1981 caused by a combination of tensions in a multicultural society underpinned by inner city poverty and deprivation. Many manufacturing enterprises went out of business reinforcing the high unemployment levels in those areas already hit by structural unemployment. However, by the time of the next election in 1983 Britain had begun to emerge from recession and a combination of the 'Falklands factor' and internal disunity in the Labour Party led to another Thatcher victory (Randlesome, 1990:162).

The second Thatcher government is the one most likely to be hailed a 'success' and in macro-economic terms the most outstanding achievement was probably their record on economic growth which had risen from -1.7% in 1981 to a peak of 4.6% in 1987 (OECD, 1993b). This achievement undoubtedly led to a third victory for the Conservatives in 1987. Critics have pointed to the long term cost in terms of an over heated economy fostered by the 'Lawson Booms' and a deregulated market, which eventually led to 'The Crash' of October, 1987, and from 1990 the disastrous decline in the property market which heralded another recession much more geographically homogeneous in its economic effect. The South and South East of England was for the first time strongly affected giving rise to doubts about Thatcher and 'Thatcherism' to the point where the Conservative party had her replaced as Prime Minister by John Major in 1991. A poll conducted in 1993 reveals "that fewer than 10% of Britons accept the thesis that the Thatcher years saw an 'economic miracle,' or that the country's economic decline had been halted" (Hampden-Turner and Trompenaars, 1994:300). Others

point to the cushioning effect of North Sea oil revenues, a bonanza which critics claim was wasted by short term policies based on consumerism when there was a need for long term investment.

In 1992 John Major led the Conservatives to its fourth electoral victory in a row, albeit by a much narrower margin than the three previous ones.

Employee Relations and Conservative Governments

In Britain one of the major political issues which brought the Conservative Thatcher government to power in 1979 was the debate concerning the power of the unions, particularly in relation to the weakness of the economy in terms of international competitiveness and the balance of trade (Stephenson, 1980:24). This was highlighted by 'the Winter of Discontent' when prolonged strikes were undertaken by hospital ancillary staff, refuse collectors and other low paid public sector workers in the Winter of 1978/79. On gaining power the Thatcher government immediately distanced itself from the T.U.C. and the unions, and formulated major policy to curb their legal powers (Stephenson, 1980:24). These restrictions were not purely born out of a distaste for unions per se but were bound up with ideological influences of the New Right, inspired by Hayek and other neo-liberal economists, who strongly advocated labour market deregulation (Wedderburn, 1985:36; Marsh and King, 1985:388; Crouch, 1990:330; Edwards et al, 1992:12). Consequently a considerable amount of legislation was passed throughout the 1980s and early 1990s which sought to restrict the power of unions (Crouch, 1990:330; Edwards et al, 1992:12), and "to weaken their position in relation to management" (Marsh and King, 1985:390). The effect of legislative reform has been much debated and a number of observers caution against sweeping generalisations which do not recognise the considerable influence which structural changes and macro economic factors, such as unemployment, have had on declining union density and influence (Waddington, 1992:302; Green, 1992:445).

Privatisation and changes in public sector managerial policy initiated by successive Conservative governments have also had an impact on the employment relationship. Once again these initiatives have been driven by the political ideology of the New Right (Hall, 1986:461). There are difficulties in specifically disentangling the effects of these and other policies but their collective impact has been considerable (Ferner and Colling, 1991). For example a recent survey of industrial relations in the privatised water industry states

that "within two years of privatisation, the framework of public-sector industrial relations had been largely dismantled, and reconstructed in the light of new priorities" (Ogden, 1994:70).

Similarly, the encouragement by the government of the commercialisation process within the public sector has witnessed a considerable shift in the employment relationship. While union membership and recognition remains high and national level collective bargaining remains intact "the climate in which these institutions now operate has led to substantial changes at both national and local levels" (Bailey, 1994:113,114). The introduction of the internal market in the National Health Service, Local Management of Schools in education, competitive tendering of government and local government services and other initiatives have led towards the individualisation of the employment relationship, a tendency towards the decentralisation of collective bargaining, increased flexibility, performance measurement and other human resource management initiatives (Bailey, 1994: 119-134).

Swedish Government Policy in the 1980s and 1990s

Swedish politics has been dominated by the Social Democratic party which has had very long stretches of power dating back to the 1930s. The first significant break occurred in the 1970s when a non Social Democratic government was elected in 1976 and remained in power until 1982, when a Social Democratic dominated coalition was returned to office (Hadenius, 1988).

Swedish political life has therefore enjoyed a long and relatively undisturbed period since the 1930s in which mechanisms such as 'the Swedish Model' have been developed to cope with internal social and economic conflict. These tendencies towards centralization or corporatism in industrial relations harbour many complex issues and the term 'Swedish model' has been used in many different ways (Fulcher, 1991:187). However, it is not the concern of this work to debate the definitions of the 'model' but to outline government initiatives which have influenced industrial relations.

Since the 1930s government has sought to regulate labour markets and induce consensus in industrial relations, although it is argued by some that the smooth workings of the model have been exaggerated (Korpi, 1981; Kjellberg, 1992).

The origins of the model date from the Basic Agreement 1938 (also known as the Saltsjöbaden Agreement, after the place

where it was concluded) by which the two main organisations representative of labour (Landsorganisationen i Sverige, LO) and employers (Svenska Arbetsgivareföreningen, SAF) "accepted restraints, in the interests of the community and neutral third parties, concerning their right to direct action" (Edlund and Nyström, 1988:9). In other words industrial conflict was to be mediated by bargaining between SAF and the LO, and if agreement could not be reached the government itself would step in and act as arbiter through the Labour Court, and its word would be final. This generated an atmosphere of cooperation and consensus leading to a succession of general agreements on various subjects such as workers' protection, joint councils, time and motion studies, vocational training, information sharing and consultation practices, many of which were later embodied in law ((Edlund and Nyström, 1988:10).

The strength of the employers and employees associations made for a balance of power which not only promoted peaceful industrial relations (Fulcher, 1987) but also reinforced high unionisation which remained above 80% into the early 1990s (Kjellberg, 1992:119). In addition the Swedish government established a highly developed and regulated labour market, which was influential in keeping unemployment to a low level (Wadensjö, 1987; Layard and Philpott, 1991).

In the 1980s the model came under increasing attack with some commentators claiming that it had collapsed (Vulliamy, 1990; EIRR, 1990:11; De Geer, 1992). The outward manifestation of this process was the 'great conflict' of 1980 when a series of strikes and lockouts occurred (Kjellberg, 1992:103). Whilst initially over pay (wage drift), the dispute was a reflection of a number of underlying changes taking place in Swedish society. The rise of white collar unionism, particularly in the enlarged public sector, as seen in the increase in membership of the TCO and SACO, and the relative decline of LO membership, meant that the central position of the LO in the bargaining process was increasingly being undermined (Rehn and Viklund, 1990:302). The plethora of legislation passed in the 1970s also meant that the SAF increasingly called into question its role in centralised negotiations, and in a more political favourable climate in 1992 it withdrew from almost all government bodies at central as well as at regional level (Kjellberg, 1992 :100).

Throughout the 1980s and early 1990s employers have encouraged trends towards flexibility, decentralised bargaining and the individualisation of the employment relationship (Rehn and Viklund, 1990:323; Söderström and Syrén, 1992:521). After 1991 a Conservative led coalition

government created a political atmosphere supportive of these trends with a programme of privatisation and deregulation (Kjellberg, 1992 :100). Despite the re-election of a Social Democratic government in 1994 there has been a continuation of policies which ultimately mean cut backs in public expenditure, driven by the need to balance the enormous trade deficit. In addition recession and high unemployment has further weakened the position of unions generally in Sweden.

It is apparent from these accounts of Swedish and British political economy that whilst there have been significant divergences in ideologies there have been considerable forces of convergence which have influenced the direction of both societies. The general move towards the right in the 1980s and 1990s has been driven by increasing difficulties faced by each economy in terms of balance of payments difficulties and national competitiveness influenced by the relative decline in productivity and by what employers perceive to be high labour costs. Moves towards deregulation, greater flexibilities and decentralisation have been encouraged by employers in both countries, supported by government policy and legislation to decrease organised labour's influence.

Technological Factors

The final Box 1 factor of influence in Poole's model (Fig 4.1) is technology. This we will explore more fully in the chapter on banking changes, but suffice to say here that banking and other parts of the service sector in industrialised countries have been undergoing something of a 'revolution' in terms of computerisation of work systems. This, together with de-regulation in the banking and finance sector, has had a considerable impact on the organisational structures and job functions in banks in Britain and Sweden (Taylor, 1992; Cressey and Scott, 1992; Piggott and Kilminster, 1994).

BOX 2 FACTORS: CULTURE, IDEOLOGY, GOVERNMENT POLICY

In examining the Box 2 factors of culture and ideology in Poole's model there are considerable difficulties facing the researcher in producing objective and quantifiable evidence. Much of the literature and research which does exist is in the form of qualitative evidence and is much more open to question on grounds of objectivity. Much of the research evidence is thus largely reliant on the approaches of historians, social anthropologists and political scientists

(Richman, 1965; Weinshall, 1977; Wiener, 1981; Dahrendorf, 1982; Douglas and Douglas, 1989), although attempts at quantifying cultural differences have been made in a much more structured way in recent years (Hofstede, 1984; Laurent, 1983; Trompenaars, 1993).

Ideological Factors

The definition of ideology is problematic and there is a considerable literature devoted to discussing issues associated with these philosophical and semantic difficulties. It is a concept which has changed meaning from the time of its inception in early 18th century France until the present day (Urmson and Reé, 1991:150, 151). Plamenatz (1971:15) states "in its later, and much more important sense, it used to refer to a set of closely related beliefs or ideas, or even attitudes, characteristic of a group or community." This definition in itself poses difficulties in disentangling pure ideological concerns from other issues such as social attitudes, culture and politics. Geertz (1964) for example, readily acknowledges that ideology can only exist in a cultural system, and Johnson (cited in Plamenatz, 1971:50) situates it in a social system, and much of its expression is found in the political system. All impact on each other, and we have already examined to a considerable degree some of the political ideological factors which have influenced government action in Britain and Sweden over the past 20 years and before. Some of these factors are intrinsic to each country and some are influenced by convergent factors which produce similar ideological shifts, for example world economic trends.

Both countries are protestant in their official religion and embody the work ethic values which are identified as being closely related to the post Reformation world (Weber, 1948; Tawney, 1922, 1966). Both are liberal democracies based in mixed economies with large elements of state intervention and privatised industries. Both are on the 'edge' of Europe geographically and to varying degrees politically. Both societies traditionally eschew political ideologies in their extreme forms of the right and left manifestations exhibited in the past in Germany, Italy, Spain, and Russia and other European states.

In ideological terms, however, these external manifestations can be in marked contrast to more complex internal expressions which highlight differences in underlying assumptions of how political and economic institutions are governed, and these differences are rooted in each society's cultural values. Thus while for the purposes of a clearer

analysis we separate culture and ideology we also accept that they impinge, influence and even impose on each other.

Swedish society has been considerably influenced by social democratic principles and even most opposition parties regard 'ideological factors' such as social welfarism, full employment, and consensus in industrial relations as indigenous to the country (Scase, 1977; Phillips-Martinsson, 1981; Lawrence and Spybey, 1986; Söderström and Syrén, 1992; Brewster et al, 1993).

Equally in British society a strand of conservatism has been identified which is grounded in the traditional structures of politics and power, as well as class conflict mediated by reform in both political and industrial life (Perkin, 1969; Wiener, 1981; Dahrendorf, 1982; Douglas and Douglas, 1989)

However, ideology, like culture is in a constant state of flux, due to the influence of convergent and divergent forces on the social, economic and political structure which in turn influence values and beliefs. Thus the predominant culture and ideology in Britain and Sweden of 50 or even 20 years ago is different in many ways to those of the present day, although there are sufficient identifiable traits which enable observers to trace those values and beliefs back to each nations historical roots. In other words a cultural continuum exists within each society which influences the process of continuous change.

It must not also be forgotten that there exist tensions and even divisions within each society represented by groups which oppose or reflect aspects different from the predominant values and beliefs, culture and ideology. Lesser and divergent internal influences can cause change or become a benefactor of change. Conservative groups in Sweden have been able to benefit from periods of discontent with the Social Democratic party by forming coalitions in 1976 and 1991. Here we would note a political ideological shift although the ideological shift in social and cultural terms would have a longer gestation period, and the degree and strength would depend on the continuation of the 'new' ideological influences.

The predominant ideology in Sweden in political terms has been the policies emanating from the Social Democratic party which has achieved political dominance over the past 60 years. If there is one word to encapsulate their 'ideology' it would be 'consensus.' This is a concept which has not only been shared by the Social Democrats, it has been said that all Swedes believe in consensus which is borne out of a pragmatism to avoid damaging conflict (Tomasson, 1970).

By contrast the British, particularly the recent Conservative governments have taken an opposite view. "Consensus is the negation of leadership" said Margaret Thatcher recently (Channel 4, 1994). This quotation sums up the quintessential rejection of compromise which she characterised as the weakness of the Wilson, Heath, Callaghan governments. In this limited sense then Britain and Sweden seem to have polarised ideological positions. However, as we have already noted global events and trends can cause a degree of convergence and this we have witnessed recently in Sweden with the election of a right wing coalition government under Carl Bildt in 1991 which turned increasingly towards those policies pursued by the Thatcher and Reagan governments in the 1980s. However, this view is far too simplistic and it can be argued that the Social democratic governments under Carlsson in the 1980s and recently in 1994 have been moving rightward pulled by international trends, as was the French socialist government in the 1980s. The swing to the right under the neo liberalist banners of Thatcherism and Reaganomics had a fundamental effect not only on sympathetic governments but governments of a completely different ideological persuasion.

The idea of consensus in Sweden remains strong however, and the Bildt governments in the deep recession of 1992 was not viciously attacked by the Social democrats (although much criticism was offered), but a proposal was made to cooperate with them "to work together to extricate Sweden from its worst economic crisis since the 1930s" (McIvor, 1992). These differing views of consensus, we argue, are fundamentally rooted in each country's ideology which in turn has a strong influence on the values which again affect the type of employee involvement practiced.

Government Policy

Government policy of nations is influenced by both divergent and convergent forces. The 1980s and 1990s in Europe and the United States witnessed a move towards neo-liberalist policies under the banners of Thatcherism and Reaganomics, but each national policy is profoundly influenced by its unique ideology, culture and history, which gives cause for divergence. Thus while there has been a degree of convergence in the political climate over the past decade, the national policy has differed in application and degree. Thus cuts in public expenditure were not so severe in Sweden as in the UK, and the policies of reforming the Swedish welfare system were less hard hitting than in the UK. Equally labour market regulation and labour legislation was

hardly affected by government policy in Sweden compared to the plethora of laws repealed and newly introduced in the UK, to which we have already alluded (Taylor, 1990a, 1990b).

Cultural Factors

The next influence on values and thus employee involvement in the Box 2 factors of the Poole model (Fig. 4.1) is cultural, and it is the intention of this section to examine cultural values in a work related context.

Essential to understanding how employee involvement systems operate in each country is an appreciation of the cultural differences in managerial styles. As we have already noted an examination of culture poses considerable methodological difficulties and there have been few researchers who have undertaken this kind of investigation and even fewer who have produced creditable findings. In the past much information in this area has rested on anecdotal evidence, (Mant, 1977; Phillips-Martinsson, 1981; Mole, 1988; Mole 1990; Daudy, 1991) or has received an historical and sociological approach (P.E.P., 1966; Goldthorpe et al, 1968; Coleman, 1973; Wiener, 1981; Dahrendorf, 1982; Hampden-Turner, 1983).

It is the intention of this section to outline the various studies which have used British and Swedish samples in examining cultural differences in work related values and national management styles. Most of these surveys were based on attitude questionnaires subjected to statistical analysis, an approach which has many inherent weaknesses. Nevertheless, they are valid attempts to differentiate cultural characteristics.

It would be appropriate, however, to begin our investigation with an attempt at the definition of culture. There have been literally hundreds of definitions of culture in different contexts and most investigators turn to Kluckhohn's consensus of anthropological definitions:

'Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially attached values'
(Kluckhohn, 1951:86).

The Work of Hofstede

Hofstede, who has undertaken cultural research specifically in the context of the workplace, has defined the influence of culture as a "mental programming of the mind which distinguishes the members of one group or category of people from another" (Hofstede, 1991:5). According to Hofstede, there are three levels of influence on the human being: the biological operating system of the body, the collective and the individual level (Hofstede, 1984:15). "Culture is learned, not inherited. It derives from one's social environment, not from one's genes" (Hofstede, 1991:5).

In a world cultural context the differences between Swedes and British are relatively narrow because they share many Northern European attributes, but in comparing them in a European or North European context then the differences are more apparent, and a direct comparison reveals essential differences (and similarities) in management style and work related values.

For example Hofstede's large study of managers within a multinational organisation showed British and Swedish managers close on three of his four indices of work related values (Hofstede, 1984). These four indices included Power Distance (PDI), Uncertainty Avoidance (UAI), Individuality (INV) and Masculinity (MAS).

By Power Distance (PDI) Hofstede meant the extent to which members of a society accept that power in institutions and organisations is and should be distributed equally. Thus in a high PDI country the forms of organisation and government would not involve people as much as a low PDI country. In this respect Britain and Sweden are similar in that they have comparatively low PDIs. He quotes the Harbison and Myers study (1959) as confirmation of his findings which puts Japan, Italy and France on the paternalistic side and Sweden, Britain and the United States on the pluralist side. Hofstede states that in low PDI countries, "power is something of which power holders are almost ashamed and which they try to underplay. I heard a Swedish University official state that in order to exercise power, he tries not to look powerful" (Hofstede, 1984:93).

The definition of Uncertainty Avoidance (UAI), involves inter alia, the creation of roles and structures to eliminate ambiguity in organisation and support beliefs promising certainty and institutions protecting conformity. In this respect both Britain and Sweden have low indices, with Sweden slightly lower than Britain (Hofstede, 1984:122). In terms of Individualism (INV), described by

Hofstede as the degree of preference for loosely knit social framework in which individuals are supposed to take care of themselves and their immediate family only, both countries' managers are high, but Britain is again higher (Hofstede, 1984:158). However, to state that Britain and Sweden have the same type of individualism as defined by Hofstede's indices would be too simplistic and "does tend to neglect the nuances that a qualitative or ethnographic approach such as the metaphorical method are able to discern. Both approaches are important, although the qualitative approach is especially important in understanding cross cultural differences along the individualism-collectivism dimension" (Gannon, 1994:341).

Table 4.5

A Comparison of Britain and Sweden: Hofstede's Indices

	PDI	UAI	INV	MAS
Highest	(Phil)94	(Gre)112	(USA)95	(Japan)95
Mean	51	64	51	51
Lowest	(Aus) 11	(Sin) 8	(Ven)12	(Sweden)5
Britain	35	35	89	66
Sweden	31	29	71	5
Difference	4	6	18	61

(Source: Hofstede, 1984:77,122,158,189)

(Key: PDI= Power Distance Index; UAI= Uncertainty Avoidance Index; INV= Individualism Index; MAS= Masculinity Index. Phil=Phillipines; Gre=Greece; Aus=Austria; Sin=Singapore; Ven= Venezuela)

Of the four indices of cultural difference used by Hofstede it is only on Masculinity (MAS) that Britain and Sweden differ significantly. Masculinity is used by Hofstede to define the degree of preference for achievement, heroism, assertiveness and material success. As Hofstede himself states "The masculinity/femininity dimensions is the only one which sharply separates the Nordic from the Anglo countries; one of the most visible differences between Sweden and Great Britain is their way of handling industrial conflict issues, which in Sweden tends to be resolved by dialogue and in Britain by strikes" (Hofstede, 1984:209). In recent years, of course, this stereotype may have become less accurate, in its visible outcome at least. Underlying values, however, are likely to have changed more slowly. The differences can also be partly underscored by the higher percentage of Swedish females economically active in the workforce at 47.23% in 1990, as opposed to 39.69% in the UK workforce (see Table 4.4).

The Research of Trompenaars

Trompenaars has also examined cultural differences in a world context. Of the seven dimensions of culture he tested, Britain and Sweden exhibit small differences in a world setting in all but one (Hampden-Turner and Trompenaars, 1993:301), a finding similar to that of Hofstede.

Each of the seven evaluating processes of Trompenaars has within it a tension as exemplified by two opposite or polarised values. These measures are:

1. Universalism-Particularism in which individuals from a 'universalist' culture would focus on rules, and from a 'particularist' culture on relationships (Trompenaars, 1993:29). For example he asked respondents to state whether they would tell the truth to the authorities if they were accompanying a friend who driving at 35 mph in a 20 mph speed restricted zone knocked down a pedestrian. In Universalist cultures the respondents would feel a greater obligation to state that the friend had been travelling at 20 mph, but in a particularist culture respondents felt a greater obligation to the relationship by protecting the friend from a possible serious conviction. There was only 3 per cent difference between British and Swedes in opting for the universalist response (Trompenaars, 1993:35).
2. The Analysing-Integrating dimension examines the tension between the tendency to "analyse phenomena into parts i.e. facts, items, tasks, numbers, units, points, specifics, or... to integrate and configure such details into whole patterns, relationships, and wider context" (Hampden-Turner and Trompenaars, 1994:11). Britain and Sweden were similar in that they were both at the analysing end of this scale.
3. Individualism-Collectivism is the "conflict between what each of us wants as an individual, and the interests of the group we belong to" (Trompenaars, 1993:47). Both Swedes and British were on the individualism side, a similar finding to Hofstede's cultural index on Individualism (Hofstede, 1984:158).
4. The Inner Directed-Outer Directed scale ranges from individuals who are influenced to action by "inner directed judgements, decisions and commitments, or signals, demands and trends in the outside world to which we must adjust" (Hampden-Turner and Trompenaars, 1994:11). This was the only one of the seven scales in which the British and Swedes were not on the same side.

5. Time as Sequence-Time as Synchronisation is the preference for doing "things fast, in the shortest possible sequence of passing time, or to synchronise efforts so that completion is coordinated" (Hampden-Turner and Trompenaars, 1994:11). Britain and Sweden, as North Europeans, are unsurprisingly toward the time as a sequence end of the scale.

6. Achieved Status-Ascribed Status examines the view that "the status of employees depend on what they have achieved and how they have performed, or on some characteristic important to the corporation, i.e. age, seniority, gender, education, potential, strategic role" (Hampden-Turner and Trompenaars, 1994:11). Once again the Swedes and the British were on the same side towards the achieved status end.

7. Equality-Hierarchy asks the question "is it more important that we treat employees as equals so as to elicit from them the best they have to give, or to emphasise the judgment and authority of the hierarchy that is coaching and evaluating them?" (Hampden-Turner and Trompenaars, 1994:11).

This dimension has similarities to Hofstede's Power Distance Index, and not surprisingly both Sweden and Britain tend to be on the egalitarian side on both dimensions of culture. In relation to some other countries in Trompenaars' survey Sweden and Britain have considerable similarities as the table below indicates.

Table 4.6

A Comparison of Britain and Sweden in Relationship to Some Other Countries on the Trompenaars Scale of Cultural Measures

Universalism <i>Britain, Sweden, USA, Germany</i>	Particularism <i>France, Japan</i>
Analysis <i>Britain, Sweden, USA, Netherlands</i>	Integration <i>France, Germany, Japan</i>
Individualism <i>Britain, Sweden, USA, Netherlands</i>	Collectivism <i>Germany, France, Japan,</i>
Inner-Direction <i>Britain, USA, Germany</i>	Outer-Direction <i>Sweden, Netherlands, France, Japan.</i>
Time as Sequence <i>Britain, Sweden, USA, Germany, Netherlands</i>	Synchronised View of Time <i>France, Japan</i>
Status by Achievement <i>Britain, Sweden, USA, Germany Netherlands, Japan</i>	Status by Ascription <i>France</i>
Equality <i>Britain, Sweden, USA, Germany, Netherlands</i>	Hierarchy <i>France, Japan</i>

(Hampden-Turner and Trompenaars, 1994:301)

On six of the seven dimensions Sweden is similar to Britain, "although Swedish individualism has a very different quality...and Swedes are emotionally more neutral and outer directed" (Hampden-Turner and Trompenaars, 1994:239). Equally the qualities of British individualism and analysis are uniquely different to that of the Swedes and the overall cultural portrait of a Swedish employee also differs in "the way traits combine" (Hampden-Turner and Trompenaars, 1994:301). Thus the work has to be contextualised against the qualitative literature to fully understand and appreciate these differences; but before attempting this it would be of value to examine the work of Laurent and Hall who has used other sets of dimensions to examine cultural differences.

The Work of Laurent

Andre Laurent of INSEAD has also attempted to quantify cultural differences and identified four distinct managerial systems: the organisation as a political system, an authority system, as a formalised system and a hierarchical system (Laurent, 1983:75). As with Hofstede and Trompenaars' findings the British and the Swedes did not differ dramatically although the differences were greater in some areas than others.

Table 4.7
Laurent Indices Averages

ORGANISATION AS A:	HIGH	LOW	BRIT	SWED	AVE	DIFF Swed /UK
Political System	(I)66	(Den)26	32	42	44	10
Authority System	(F)65	(USA)30	48	46	47	2
Formal System	(G)85	(Sw) 57	80	57	76	23
Hierarchical System	(I)66	(Sw) 25	36	25	41	11

(Key: Brit = Britain; Swed = Sweden; AVE = Average; DIFF. SWED/BRIT = Difference between Sweden and Britain; I = Italy, Den = Denmark, F = France, G = Germany, Sw = Sweden)

Both Sweden and Britain scored low on the political index though the Swedes are slightly more politically minded in the way they view the organisation. There is considerable accord in terms of the way each nation's managers view the authority system. By contrast the British are much more likely to see the organisation as a formal system. The British emerge as somewhat more likely to see the organisation in terms of a hierarchical system.

In the I.M.D. survey of 1990 Sweden and Britain, however, did diverge significantly in leadership strengths in terms of a managers' sense of drive and responsibility, the extent to which leaders delegate authority and the capacity of leaders and corporations to take a long term view.

Table 4.8

A Comparison of British and Swedish Leadership Strengths (22 O.E.C.D. Countries)

Managers sense of drive and responsibility	Extent to which Leaders Delegate Authority	Capacity of Leaders and Corporations to Take a Long-term view
Sweden = 72.29 (Position = 1st)	Sweden = 75.51 (Position = 1st)	Sweden = 76.73 (Position = 3rd)
UK = 58.25 (Position = 20th)	UK = 58.95 (Position = 15th)	UK = 51.58 (Position = 17th)

(Source: IMD Report on International Competitiveness, 1990)

In a separate analysis of the degree of prescribed involvement of workers in decision making 1945-75 Britain was ranked eleventh of twelve countries as to the degree of direct involvement of workers and twelfth in terms of involvement of representative bodies. The group then divided the findings into three strengths of management for an involved style, i.e. the first group strong, the second group medium, and the third group weak. Sweden was in the first group and Britain in the third (IDE, 1981).

High and Low Context Cultures

Hall (1976; Hall and Hall, 1990) has made a comparative study of national attributes in the setting of 'high context' and 'low context' cultures. He places Sweden in a low context culture and Britain in a high context culture. "Low context people appreciate explicit, clear written forms of communication, as provided by computers books and letters. In contrast high context peoples, such a the Japanese, Arabs and Southern Europeans divulge less information officially in written forms, but tend to be better informed than low context people, since they tend to develop extensive informal networks for exchanging information verbally face to face or by telephone. High context people are also more adept in interpreting non-verbal; aspects of communication, and seeing the significance of what is implicit or not said, pauses, silence, tone, and other subtle signals" (Leeds et al, 1994:12). One could say that the British 'old boy network' falls very much into this high context category, and the felt need for exclusive clubs and societies, providing an entree into various influential networks which pervades

British society. Its no accident that the Freemasons, for example, originated in England.

In a study by Brewster et al (1993) expatriate Swedish managers working in the UK gave several incidents of the difficulties coming from a low context culture to a relatively high context one. For example one Swedish manager after having worked in England stated "people sometimes said 'I have a big problem.' I often learned that this was not the case. The reason that I took it that way is because the Swedes take the words in. The words themselves are more important to a Swede. The drama is quite important in England and the debate around it and how can you solve it etc. I think the biggest problem when you go to another country is to find out what people are actually saying, and get rid of all other noise" (Brewster et al, 1993:17).

Table 4.9
Locating Low and High Context Cultures

Country	High Context	Low Context
West Germany		XXXX
German Swiss		XXXX
Scandinavian		XXX
North American		XXX
Belgium, Holland, Denmark		X
France	X	
Britain	XX	
Southern Europe	XXX	
Middle East	XXX	
Asia, Africa, Latin America	XXX	
Japan	XXXX	

(Source: Leeds et al, 1994:13).

These last two studies conform with the more generally perceived differences between British and Swedish managerial styles and styles of working, and we must turn to more qualitative and ethnographic evidence to explore these differences further, which, as we shall see later, causes analysts of work related values to put Britain and Sweden into different clusters of national groupings.

Qualitative and Ethnographic Evidence

There is considerable anecdotal evidence on the cultural differences between British and Swedish management styles and work related values for example it has been observed

that "a Swedish manager won't let you out of the factory until you have seen the latest gadget they are cooking up to beat the Germans... the British manager won't let you escape till he has established his rural or semi-rural bona fides" (Mant, 1977:27,28). By this he means that the Swedish manager enjoys the atmosphere of the working environment and the challenges it brings. The British manager sees work as a means to an end i.e. a salary provider to give him the means to enable him to escape to a rural retreat. While managerial attitudes have shifted considerably since the 1970s nevertheless strong elements of these caricatures remain.

The unprofessional nature of the British manager has been, and to a certain extent still is, a cause for concern, particularly in terms of status and training. Graduates would readily seek a career in the professions rather than in industry; and if they chose industry it would be very much a learning-on-the-job experience. A comparative study of the way British and Swedish managers were trained in the mid 1970's revealed quite startling differences. It showed that top managers in Sweden are more likely to have been educated in some way which can be described as directly applicable to their jobs, notably in engineering and business economics. In addition, it was often the most able Swedes who entered management - in stark contrast to British undergraduates who regarded technical subjects as less prestigious than arts and 'liberal' subjects. Swedes thought British management weaker, especially on the production side (Fores and Clark, 1975). Several recent studies of comparative management education reveal a similar picture in the 1980's (Constable & McCormick, 1987; Handy et al, 1988).

A more recent piece of comparative qualitative research, carried out by the social anthropologists Douglas and Douglas, examined cultural differences in the employment relationship between Britain and Sweden. They found Britain to be more adversarial and Sweden more consensual in their industrial relations. Their research compared British and Swedish labour markets in terms of negative and positive freedoms. By this they meant that both the British and Swedish valued freedom, but the evolution of Swedish industrial relations practices over the past 50 years between employers and unions has developed a consensual relationship based on positive freedom i.e the freedom to do or to take control of a situation (Douglas and Douglas, 1989:35) This was rooted in the development of two powerful hierarchies (the L.O. and the S.A.F.) which rely heavily on cooperation, as their power is such that they can potentially damage one another seriously (Douglas and Douglas, 1989:45). This view is also confirmed by Fulcher

(1991) although he does not put it into a philosophic or cultural context.

In contrast the British have developed an industrial relations system based on negative freedoms i.e. 'freedoms from' e.g. from oppression, from exploitation, from control. The lack of the development of hierarchies of a similar type to those of Sweden have led Britain into a more confrontational approach which contains and reinforces essential elements of individualism less able to conform to a collective whole. Thus they claim "it is arguable that the 1982 miners' strike could have been ended more satisfactorily for the miners if the NUM had been prepared to accept the authority of the TUC" (Douglas and Douglas, 1989:49).

This lack of consensus has led other commentators to correlate it with Britain's relative economic decline. "Another unsolved issue that exacerbates Britain's economic decline is the failure of social consensus over an extended period. Britain has failed to join workers and managers, government with industry, educators with business, to agree on minimum necessary conditions for the formation of a developed economy that puts growth of people and technology ahead of divisive private agendas" (Hampden-Turner and Trompenaars, 1993:320).

Observers in the 1970's also noted that managers in British organisations spend a great proportion of their time dealing with labour grievances and disputes. Up to 30% of their time was spent on such issues as promotions, grading positions, values attributed to individual jobs, heat or other abnormal conditions and payment (Maurice, Sorge and Warner, 1980). A P.E.P. Report which investigated six British industries also commented on "a lack of understanding and trust between management and labour, which leads to disagreement on subjects where the material interest of both sides would be better served by agreement" (P.E.P., 1966:290).

British Management Style and Work Related Values

At this juncture it would be prudent to examine the qualitative evidence of each nations' work related values separately as much of the material lacks a comparative context. In addition the later sections will concentrate on aspects of managerial style which have a bearing on employee involvement, the central concern of this study. Coleman in examining the reasons for Britain's economic decline, paints a portrait of the typical British manager as a gentlemanly amateur whose real interests lay outside the day to day work of business and more on the country estate or golf links (Coleman, 1973). Chandler emphasises the influence of the family business structure in British firms which remained strong well into the 1950's and stresses the importance of personal and family relationships (Chandler, 1986). 'The old boy network' ensured that the selection of directors, senior executives and managers was based on who one knew and could trust, rather than objective criteria as Paxman (1991) attests in his aptly named book on the British establishment entitled 'Friends in High Places.' Recent studies by Laurent seem to give credence to the emphasis on personal relationships. Laurent found that British managers seem to hold a more interpersonal and subjective view of the organisation world. They believe that the ability to create the right image and get noticed for what they do is essential for career success. They view the organisation as a network of relationships between individuals who get things done by influencing each other through communications and negotiating (Laurent, 1986). These views conform strongly with Hall's work in positioning Britain in a 'high context' culture.

In studies which examine employee involvement a complicated picture emerges. Britain does not have legislative support for worker involvement - i.e. co-determination laws. However, it has been argued, using detailed British case studies, that control is relatively dispersed and that "British workers in general, and craft workers in particular, enjoy considerable control over various aspects of their immediate work environment" (Lane, 1989:243).

The adversarial style which characterised much of British industrial relations, particularly in the 1970's and early 1980's, seems to belie this. For example research amongst German and British workers shows that British workers held their managers in less esteem than did German workers and in consequence the British workforce had much less trust in managers than the German workers had in theirs (Millar, 1979; Wilpert and Rayley, 1983). This evidence seems to indicate that even at a more informal operational level within British organisations British managers practice only a superficial form of participation which is merely consultative at best. "Sophisticated paternalism" has been suggested as a more accurate description of the British consultative managerial style (Goldsmith and Clutterbuck, 1984; Edwards, 1987). Lane (1989), citing Edwards (1987:115) also suggests that "although British workers have long enjoyed a favourable position in the contest for control in the industrial enterprise, in recent years the balance has begun to shift decisively in favour of management" (Lane, 1989:243). Given the increased popularity in forms of employee involvement in human resource management this is an important statement which we shall attempt to address later in the study.

Other studies have pointed to the influence on British management style of the predominance of a finance orientation to business strategy, which tends to have a negative influence on decision making in which short term financial concerns tend to predominate. This was shown as being in strong contrast to the production orientation in Germany built around skills based training. Thus finance dominated British managers tend to "structure their decision making around quantitative criteria which may be connected to the needs of the budget control structure than the long term business relevance of any given project" (Campbell, Sorge, Warner, 1990). This orientation may also influence managers to view human resources as an economic or financial entity rather than seeing employees in a more genial way. Outwardly this would seem to conflict with the perceived inter-personal style of management identified by Laurent, Chandler and Hall but it can be argued this approach to management is more developed among equals than between managers and subordinates. In a situation where potential conflict between personal sentiment and the need for financial efficiency exists then the latter will tend to prevail, although Clark and Batstone (1992) would place this penchant towards 'hard' human resource management in British organisations as a result of the logic of economic organisation and efficiency in capitalist enterprises. This is a subject which shall be explored later.

Swedish Management Style and Work Related Values

Swedish management style has long been noted for its participative and consultative nature.

'According to both Swedish managers themselves and others commenting on their modus operandi, decision making in Sweden is naturally participative, like a less exaggerated example of Japanese corporate decision making. It is therefore normal for a Swedish manager to consult his subordinates, and not just to consult them cosmetically' (Lawrence and Spybey, 1986:50).

The origins of Swedish egalitarianism has been identified with the development of a yeoman farmer class and the absence of feudalism in its history (Tomasson, 1970:7,8; Hampden-Turner and Trompenaars, 1994:239). From this arose a tradition of sturdy independence among the peasantry which resented and resisted any attempts to impose authority by means of political power. "Swedish peasants have had a part in national government at least since the 15th century and were formally represented as the Fourth estate in the Riksdag, or parliament, at its consolidation in 1617" (Tomasson, 1970:7).

Another important factor cited as being an influence on Swedish social attitudes was the formation of 'bruks' in its early industrial development. These were basically mining villages operating in the countryside and often controlled by a single family. Their organisational structure was very hierarchical "so that social relations between employer and employee were often paternalistic, with the owners providing not only employment but also rudimentary forms of social welfare such as the care of the sick, the old and the widowed" (Scase, 1977:18,19). Hampden-Turner and Trompenaars (1994:239) see this as important as "Swedish corporations came to see themselves as sustaining the surrounding society." These two influences are thus early contributors to the idea of an egalitarian welfarism in Swedish life.

Industrialisation in the late 19th century swept away the 'bruks', the peasantry declined and the four estates were increasingly replaced by two estates of capital and labour, although vestiges of these remain. However, these values came to permeate the new economic structures, which increasingly were represented by trade unions (LO) and employers organisations (SAF). As we have already seen the balancing of this relationship led eventually to the construction of the 'Swedish model' in which the mediation of power is tempered by the influences of traditional values which become reinterpreted and developed in new economic contexts.

Thus to the informed observer Sweden is a country with an employee centred management approach buttressed by the legal requirements of the co-determination system and over 80% unionisation. By contrast Britain has no legal obligations that the workforce be represented on the company board, and over the past decade unionism has declined in influence and stands at approximately half that of Sweden.

However, Swedish management style, like that of the British, has undergone change in recent years. A number of studies have highlighted the main features of these changes "as an increased emphasis on strategic planning and a developing focus on bottom line business concepts" (Brewster, et al, 1993:76). Edström et al (1985) have posited the view that over the last ten years there has been a tendency for Swedish managers to move towards a style of leadership which portrays them as vision creators, ready to take up challenges and to take risks. This has been dubbed a change-centred style which is in response to the increasing turbulence of international markets where greater degrees of flexibility in decision making is becoming a necessity (Ekvall and Arvonen, 1989). These conclusions are supported by Beckérus (1988) who propose that this 'change centred' style emphasises an orientation towards development and changes, an emphasis on competence, where knowledge and experience of the employees are seen as extremely important, as well as participation and responsibility for employees.

The emphasis is on the importance of 'management through ideas' which is increasingly evidenced in Swedish companies such as ASEA, Ericsson, SAS, Volvo, EKA Nobel and others from the late 1980s and early 1990s. This style of management sits comfortably with the tenets proposed by human resource management and infers that all employees understand and accept the organisational mission and that they feel involved in working towards these ideas. The Chief Executive Officer's ability to create a visionary destination towards which the organisation should head plays a leading part in motivating employees (Arvonen, 1990).

Sjöborg (1986) concurs with this picture in his study of top managers in Sweden, Norway and Denmark and concludes that there is a typical Scandinavian management style. The demands of the 1990's on top managers in Scandinavia will mean, Sjöborg concludes, that top managers in Scandinavia must create conditions which engage and motivate employees to work towards common goals and visions. They must have better knowledge of international conditions, and be more of a 'generalist' than a 'specialist.' In addition better training for leadership and an enhanced capability to adapt to changes is essential. Sjöborg concludes that the Scandinavian management style for the future might be called 'flexibility management.'

A similar discussion is found in a recent article by Söderström (1990). From a theoretical analysis he concludes that it is important for managers to be flexible and adaptive to changes in the world around them. Söderström emphasises the danger of focussing too much on the individual leader. He argues that successful management demands a core group around the manager with similar views and visions as the top manager.

Jackofsky, Slocum and McQuaid (1988) have collected anecdotal evidence to test the validity of Hofstede's dimensions in some countries, including Sweden. They refer particularly to two of the most well-known CEOs in Sweden - Pehr Gyllenhammar (Volvo) and Percy Barnevik (ASEA) and they conclude that available evidence is consistent with Hofstede's conclusions about Sweden's high individualism, high risk taking (low uncertainty avoidance) and increased decision making at lower levels (low power distance). These results also confirm the findings in the earlier reported research (Edström et al 1985; Sjöborg 1986; Beckérus, 1988; Edlund, Norbäck and Rendahl 1989).

A different approach to examining the possible existence of a Swedish management style has been carried out in a dissertation by Tollgerdt-Anderson (1989). To gain understanding of the cultural differences, in terms of required leadership characteristics, she investigated advertisements in American, Japanese, Singaporean, West German and Danish newspapers. The cultural differences were very extensive, above all in terms of Sweden compared with Japan, United States and partly with Singapore. Personal traits like co-operativeness, independence, capacity to lead and take initiatives were more often mentioned in the Swedish advertisements than in the others. Tollgerdt-Andersson concludes that these findings demonstrate the danger of trying to imitate and apply American leadership theories in Swedish settings.

Other commentators have also noted the slow decision making process in Swedish organisations. Lawrence and Spytbey (1986) explain this as being a result of the co-determination system in general and Swedish egalitarianism, "in that egalitarianism tends to value everyones commitment and consent equally." They also suggest that "the government is more omnipresent, and more intrusive, in Sweden than in the UK" (Lawrence and Spytbey, 1986:51).

Country Clusters

In examining the effects of culture on work related and managerial styles we have seen from a number of studies that there are significant differences between the British and Swedish which affects their perceptions and practice of employee involvement.

These cultural differences have been perceived to be sufficiently different to permit Britain and Sweden to inhabit different country clusters in global frameworks of culture.

Hofstede grouped the nationalities of managers in IBM into four country clusters, and Sweden and Britain occupy different groups. Britain is grouped with the USA and British Commonwealth nations. Managers in this group are motivated by personal and individual success, in the form of wealth, recognition and 'self activation'. "The classic McClelland, Maslow, Herzberg pattern" (Hofstede, 1984:256).

The Swedes appear in the group which includes North European countries: the Netherlands, Finland, Denmark and Norway. In this quadrant managers tend to be motivated by success and belonging, success will be measured partly as collective in the quality of human relationships and the living environment (Hofstede, 1984:256).

Other writers on comparative culture have similarly identified a distinct Scandinavian/Nordic category of work related values, which places Sweden with, Norway, Denmark, Iceland and Finland (Leeds et al, 1994:23, 24; Altman, 1992, 1993).

Altman (1993:31) describes this group as priding themselves in having

'the most developed welfare systems in Europe, characterised by a pact between the state framework and its citizenship. This assumes a set of mutual obligations, with a strong emphasis on equality of opportunities and access to resources, while at the same time putting a high premium on shared responsibilities, as manifested in a stiff personal taxation system and (almost) universal trade union membership.'

Durcan and Kirkbride (1994:36) in identifying 'Scandinavian' cultural values state that

'in Scandinavian societies the development of semi-autonomous work teams might seem a logical extension of organisational structures in the scope it provides to improve the quality of working life and of relationships in the workplace. It would be consistent with moves towards greater forms of industrial democracy and worker participation. Such involvement would be regarded as valuable in its own right. Leaders are seen to be effective in their ability to foster good working relationships and to encourage harmony and cooperation in the workplace.'

They contrast this strongly with what they call 'Anglo' cultures which includes USA, Canada, Australia, New Zealand and Ireland. Proposals for greater industrial democracy "are much more likely to be debated in terms of their potential contribution to a greater performance rather than being important in themselves" (Durcan and Kirkbride, 1994:36).

Altman (1992:38) puts the UK, in a European context, into a 'classical capitalists' cluster together with France, Germany, Belgium, Northern Italy, and the Netherlands. They are

'based on early urbanisation and the first to industrialise, they have been driven by a value system which put the individual entrepreneur - the innovator, risk taker, and empire builder - at centre stage of the national economy' (Altman, 1993:30).

The placing of Sweden and Britain into two separate categories clearly indicates that observers recognise intrinsic differences between their work related values. Yet in examining the work of Hofstede, Laurent, and Trompenaars which is rooted in the positive tradition of research, we see that these countries display few differences in empirical terms. Altman (1992:36) sums up the dilemma of this type of approach. "Hofstede's strength lies in a finely tuned and rigorously applied research design. This is also his limitation. His approach can be likened to a powerful torch - sending a concentrated and bright, extremely sharp ray, of light, but, necessarily, leaving much in the dark."

The use of qualitative and anecdotal evidence has been acknowledged by these researchers in helping them towards an understanding of cultures including those of Sweden and Britain, and the limitations of this study have caused us to leave out much that is illuminating in literature, the arts in general and observations by travellers and expatriate workers. One such study of expatriate managers, which is part of this work, will be discussed in later chapters.

Conclusions

In examining the various factors in Poole's model which affect employee participation and control, we see a number of convergent and divergent influences. The ideological shift to the right in the 1980s and 1990s in both political and economic terms has had a fundamental impact on government policy throughout the world. We have noted that even socialist governments in France and Sweden were affected by these forces, and began to create policy more in tune with the international climate. Interestingly in the 1990s both countries have returned conservative governments, under Balladur (France) and Bildt (Sweden), each of which have accelerated the rightward trend by introducing greater privatisation, tax cuts and reductions in public expenditure, as well as reducing welfare benefits and weakening employee rights.

Nevertheless, it can be argued that cultural differences will always ensure a divergence in the practical application of such policies. In addition these unique cultural traits are also supported by the underlying ideology of each nation rooted in their historical traditions. Thus while there has been a shift to the right in Sweden it is by no means as extreme as in Thatcher's or Major's Britain. The ideology of consensus remains strong, albeit in a watered down form and reliant very much on the good graces of the Social Democratic party and the unions. We have also seen that the welfare state as a concept while attacked by the right in Sweden has remained very much a concept central to the Swedish ideology, and most commentators see policy initiatives in curbing expenditure and rationalising its operation rather than undermining or replacing the whole system. As one Swedish manager commented to the author "at heart all Swedes are Social democrats."

Nevertheless, the harsh realities of the external world have brought home to Swedish managers and employers that the inefficiencies of the 1970s and 1980s cannot continue. Sweden relies heavily on its ability to export and the success of its large companies in heading this drive. These companies faced with competition are looking to leaner and fitter operations. This often means creating considerable redundancies which have been accelerated by the recent recession. In such a climate it is not surprising that union and employee power has declined and that Swedish employers have asserted their 'right to manage' partly shown in their refusal to cooperate in central government bodies which operate to regulate labour markets. As we have noted some observers have regarded this as breakdown of the Swedish model. There have also been moves towards deregulation, greater flexibilities and decentralisation encouraged by government policy and legislation to decrease organised labour's influence. In addition the practices of human resource management have helped in the process of individualisation and decollectivisation of the employment relationship. Although we have noted a very involved style of management practiced by the Swedes observers have also noted a shift in the Swedish style of management from 'employee centred' to what Ekvall and Arvonen (1989) call 'change centred.'

In the UK the right wing shift has been much more marked, and indeed the policies of Thatcher, together with those of Reagan, have become a beacon of right wing ideology. Not surprisingly the deregulation of markets, particularly, the labour market, has been prominent. UK social and economic policy in the 1980s and 1990s has been striking for its reduction of employee and union influence through a variety of legislation and the shunning of consensus in the employment relationship. A plethora of legislation undermining union and employee rights has been passed and the operation of good employment practice has been much more left to the whims of the employer. While good practice has meant a much greater awareness of management training and the need and desire to motivate employees much of this has been translated into HRM and other initiatives calculated to individualise and decollectivise the employment relationship. It is in this atmosphere that employee involvement has evolved in both countries.

Chapter 5

Changes in the World of Banking: Sparbanken and The Cooperative Bank

Introduction

In the last chapter we examined some of the major factors which influence employee involvement within the context of Poole's framework of participation. We left an examination of the banking sector and the influence of new technology within banks to a separate chapter as these subjects need in-depth examination and form a natural link into the case study material and the results from other research which we shall later consider.

This chapter will concentrate on the changes which have affected the banking sector worldwide and specifically within Britain and Sweden. In addition a review of the effects of new technology (the last factor in Box 1 of Poole's model) in the banking sector will be undertaken to show how these changes have affected the employment relationship in terms of impact on career and job function and management policy. Finally, we will outline the developments in both the case study banks, Sparbanken and the Cooperative Bank, over the past 10 or 15 years including employee relations and employee involvement issues. This will provide the organisational setting for the research findings.

Changes in Banking in the 1980s and 1990s.

Banking has suffered considerable turbulence in the past decade and there has been no shortage of analysis of the causes. That debate will only concern us to the extent to which its influence has affected employee relations in the banking sector.

Most commentators agree that the chief causes of the world banking crisis have stemmed from deregulation, which led to intensive competition, the influence of new technology, ill considered expansion into overseas markets and non banking services and ill considered lending policies (Bank of England Quarterly Bulletin, 1993:103,104; Banking World, 1993:10; Gapper, 1993:11; Unger, 1992). Added to these general causes are the influences indigenous to each country and their banking systems.

British Banking in the 1980s and 1990s

In Britain the most important step towards deregulation was taken with the abolition of Exchange Controls in 1979 when the Conservative Thatcher government came to office (Bank of England Quarterly Bulletin, 1993:103). This was in the spirit of free market ideology which created the benchmarks for macro economic policy for the 1980s, later leading to deregulation of banking controls in 1986 (Hutton and Kelly, 1992:13). The euphoria which followed deregulation led to a number of mistakes by British and foreign banks. "There was a rush to expand their international networks, notably with expensive and sometimes disastrous acquisitions in the United States" (Cowe, 1982:16). Midland Bank's takeover of the California based Crocker "has passed into the annals of banking history as a debacle" (Hutton and Kelly, 1992:13). "Big Bang" and the deregulation of London's finance markets in the mid 1980s sparked a rush into broking and merchant banking. "Of the four (major clearing banks) only Lloyds resisted the temptation to climb aboard the band wagon of share dealing and deal making. The other three paid heavily for their lack of caution. Midland closed its stock broking operation. Nat West and Barclays have struggled to earn acceptable returns on their huge investments" (Cowe, 1992:14).

In addition easy lending policies fuelled further troubles for the future and "banks embarked on a spree of lending and diversification that nearly always came to grief" (Unger, 1992). Lending outstripped economic growth because banks assumed that loan growth was synonymous with high profits. Another particular British factor "was the growing involvement of banks in the mortgage market and of building societies providing bank services" (Bank of England Quarterly Bulletin, 1993:104). The property boom of the late 1980s led to steep price rises which far outstripped 'real' values in relation to the rest of the economy, and when the bubble burst in 1991 banks and creditors found themselves in negative equity situations, the most spectacular of which was the Canary Wharf project developed by Olympia and York. In many senses this was a replay of the British property collapse in the 1970s "which brought down the fringe banking industry and forced established banks to finance a lifeboat operation to stabilise the financial system" (Cowe, 1992:14). In the past banks were able to rely on lucrative personal business to offset disasters such as this but the increased competition in the high street banking sector from mortgage companies after deregulation meant that this cushion had been removed (Rose, 1980:9).

Another factor suggested for the severity of the crisis was the lack of supervision at both national and international levels (Bank of England Quarterly, 1993:104). It has been argued by the Governor of the Bank of England, however, that supervisory controls after deregulation at national level would have been undermined by international trends.

'My view is that the process was *inevitable*, is *irreversible* and is still in any case *desirable* (his italics). Inevitable, because of international trends not least in information technology and the freedom of movement of capital. Irreversible, because we simply could not, even if we wanted them, reimpose exchange controls that would be needed to isolate our banking system from the rest of the world.'

(Bank of England Quarterly, 1993:105)

The Basle Capital Accord of 1988, which set a uniform 8% minimum ratio for internationally active banks was adopted and implemented in the UK in 1989, and the Monopolies and Mergers Commission have been active in scrutinising some of the more outstanding acquisitions and mergers, although their influences has been somewhat restricted, it has been argued, in the international banking climate of the 1990s (Peston, 1992:1; Hutton and Kelly, 1992:13). Another factor often mentioned, at least up to 1992, was the effect of the Single European Market especially the Second Bank Directive which "will make it possible for banks and other financial institutions with a licence to operate in one EC member state to provide a large number of financial services throughout the European community" (Hiltrop, 1991:36,37). However, the recession and banking crisis has caused this effect to have been rather a damp squib as a rush of mergers took place in national contexts rather than in international or trans-European ones, mostly in reaction to the banking crisis and recession. Many banks which had painful forays into overseas investments in the 1980s have subsequently adopted an air of caution (Schoupe, 1989:2; Hiltrop, 1991:37; Euromoney, 1991:37; Peston, 1992:1).

The Banks' response to these difficulties has been to enter merger deals and acquire potential rivals at national level, along with some drastic restructuring of organisations. These options have also been taken in response to the continued and accelerating application of new technology which has led to plans to cut high street outlets and to make tranches of staff redundant (Gapper, 1993:11; Banking World, 1993:10).

The long term result of these multifarious and converging influences has been that:

'banking has moved over the past 10 or 15 years from being in many cases somewhat institutional in character to being totally commercial and businesslike in its structures. Banking is now a totally competitive industry, virtually worldwide, which may be analysed in terms of the same industrial economics as may be applied to the automobile industry and chemicals' (Wilkinson and Lomax, 1989:15)

The Swedish Banking Crisis

The Nordic countries (particularly Norway, Sweden and Finland) have been some of the most hard hit areas of the world in terms of the banking crisis of the late 1980s and early 1990s (Webb, 1992:IV; OECD, 1994:122). The common cause identified has been the consequence of deregulation, although indigenous factors such as the collapse of North Sea oil prices in Norway, and the collapse of trade with the former Soviet Union in Finland have given national twists to this general trend; and as in the UK, the collapse of the property boom was a particular factor in the Swedish banking crisis (Banking World, 1991:10; Taylor, 1992a:1; Brown-Humes and Fosli, 1993:22; Kilminster and Piggott, 1994:77).

It has been argued by analysts that the Nordic bank crisis was deepened by the way it was deregulated moving from a sheltered existence with strict controls on lending to "a scramble to lend to companies and individuals often paying little heed to their credit worthiness" (Webb, 1992:4). The movement between the two extreme positions would have presented difficulties for the most well handled economy, but the unrestricted and undignified rush to invest and lend added a further dimension to the problem (Kilminster and Piggott, 1994:77).

The consequences, particularly, to the property market, became all too clear in the 1990s as the Nordic economies were hit by recession. Kilminster and Piggott (1994:78) however, also lay much of the blame at the door of governments and the way they handled the crisis. The Swedish government, for example, removed interest rate controls in 1985, and in 1987 credit controls on lending by banks, housing credit institutions and finance houses were also removed, which considerably added to the atmosphere of incautious boom. Added to this were a number of supervisory shortcomings. In Sweden regulation is the province of special bank and finance inspectorates rather than central banks. "The supervisors did not oblige the banks to make sufficiently large provisions against possible bad debts; nor did they insist on realistic property evaluations; nor

did they restrain them from lending to troubled sectors of the economy" (Banking World, 1991:10). Bengt Dennis, the Governor of Sweden's central bank, summed up the situation. "We saw the gains without seeing the pain which could be incurred in the pursuit of efficiency" (Taylor, 1992a:1).

The government reaction in the late 1980s also helped to prick the boom bubble and exacerbate the crisis in its attempts to defend the Swedish Krona by driving up interest rates. This combined with attempts to cut back public expenditure had the effect of slowing economic growth and undermining confidence in the financial market, raising the level of bad debts and intensifying the property crisis (Kilminster and Piggott, 1994:79). By mid 1993 real commercial property prices in the metropolitan area had declined by nearly 70% from their peak in 1989 (OECD, 1994:122).

One of the major reactions to deregulation and the subsequent crisis which followed was a growth in merger activity in the financial sector. This was also partly in response to the possibility of large international players in the banking and financing sector moving into Swedish markets (Taylor, 1992a:1). In 1989 Gotabanken purchased Wermslandsbanken and Skaraborgsbanken for SK (Swedish Krona) 1.3 billion; Svenska Handelsbanken took over Skanska Banken for SK2 billion and the state controlled PKbanken took over Nordbanken for SK5.6 billion (Kilminster and Piggott, 1994:78). This wave of takeovers left the fifth and eighth largest banks in Sweden controlled by three of the four largest and meant that S E Banken, previously by far the most powerful bank in Sweden was faced with two rivals with roughly equal assets and income. S E Banken then moved into insurance, whilst the white collar workers pension fund SPP became the first insurance company to gain control of a Swedish bank by buying 44% of voting control of Gota, the parent company of Gotabanken (Kilminster and Piggott, 1994:78).

Anxious to prevent the crisis deepening, the state also effected ownership changes and Nordbanken which was already part state owned was fully nationalised in 1992 after losses of SK10.5 billion (£1 billion) in 1991, and SK16 billion in 1992 (Webb, 1992:4; Brown-Humes and Fossli, 1993:22). The government also gave loans and equity guarantees to Gotabanken and Första SPB, as well as Nordbanken, which collectively came to SK74.2 billion. In December, 1992 Gotabanken was also taken over by the state "as huge loan losses completely wiped out the bank's capital" (OECD, 1994:129,130).

A plan for state financial support and reconstruction of the banking sector was approved in late 1992. This provided for unlimited state guarantees for all commitments of banking institutions towards creditors and depositors in order to shield bank customers from losses. The Conservative Bildt government also made provision to separate out the bad assets of the two state owned banks and sell off the healthy parts. Swedbank, Föreningsbanken and SE Banken, however, have had no need for state aid. In 1993 Swedish bank shares rose sharply and it is generally believed that the worst of the crisis is over. However, the task of rebuilding financial strength, restructuring and winding down problem credits is likely to last into the next century (OECD, 1994:131: Brown-Humes and Fosslis, 1993:22).

The bank crisis and the recession of the early 1990s had an enormous impact on Sweden, destabilising what was once one of the most admired macro economic structures in the world. Equally, the crisis in UK, while less severe, had far reaching consequences in accelerating trends, particularly in the area of employment and occupational change.

New Technology and the Banking Sector

Even had there been no banking crisis and no world recession the progress of new technology would have had far reaching consequences for employee relations in the banking sector. It is, however, difficult to disentangle the effects of the recession, the banking crisis and the impact of new technology on the restructuring of banks, as each factor impacted on the other.

For a number of years analysts have been predicting the consequences of new technology, particularly computerisation, in terms of replacing jobs and restructuring organisations. For example as early as 1984 the chairman of a French bank had argued that employment in the French banking sector would shrink by 15 per cent over the next ten years, that is by nearly 60,000 jobs. Similarly a Swedish researcher predicted in 1980 that 10,000 jobs would disappear in the sector between the early and mid 1980s. However, 10,000 net new jobs were created! (Bertrand and Noyelle, 1988:7). This clearly indicates that while predictions based on trends do generally come true, developments in actuality are often complex and rarely take predicted paths. It took another ten years for that Swedish researcher's predictions to be realised and only after a cycle of boom and bust within the sector.

Cressey and Scott (1992:87) have identified the effects of new technology on employment practices in the banking sector as a long term factor, whereas the banking crisis (discussed above) has been much more short term, although very strong in its impact. While banks have been introducing new technology, particularly computerisation since the 1960s its effects (through back office automation, automatic teller machines etc) were eased by the "phenomenal increases in business volumes" which caused overall staff numbers to grow (Cressey and Scott, 1992:84). A second positive effect for staffing up to the late 1980s was that new technology facilitated the "development of new technology based products and services which the banks have to various degrees begun to market to customers (eg home banking, smart cards, debit cards etc)" (Cressey and Scott, 1992:84). It is not surprising therefore that an air of complacency crept in during the 1980s as predictions of drastic reductions in staff and restructuring as a result of the influence of new technology failed to materialise. Indeed more jobs had been generated!

The implementation of new technology therefore "has been incremental, its effects have been long term and cumulative, without a sharp break or definable 'paradigm' shift" (Cressey and Scott, 1992:88). Cressey and Scott have devised a model to illustrate this pattern of implementation and the areas where each innovation has had an impact on staff.

Fig 5.1

Pattern of Innovation and Staff Impact

Specialised Staff
via
Linked PCs
Automated Credit rating

All Branch Staff
via
EFTPOS
Home Banking
Cheque Truncation
Teller Terminals

Bank Office Staff
via
Computer Clearing
[Chaps, BACS]
Automated Tellers

General Clerical Staff
via
Mainframe Computer



EFTPOS - Electronic Funds Transfer at the Point of Sales.
CHAPS - Clearing House Automated Payments System.
BAC - Bankers Automated Clearing Services.
Cheque Truncation - Immediate and electronic clearing of
cheques not returned to payers bank

Source: Cressey and Scott, 1992:89.

In this model the progress of the application of new technology spans over 40 years (shown by the arrow base line) and gradually all levels of staff with considerable overlaps between each period of innovation.

Bertrand and Noyelle (1988:21) have devised a similar conceptualisation of the introduction of new technology based on their research into the banking and finance sector in five countries (France, Germany, Japan, Sweden and United States), all of which appear to conform with the British pattern. The processes are therefore clearly international in their implications.

Fig 5.2

Levels of Application of New Technology

Level One - applications focused on the automation of transaction processing (Introduced 1950s and 1960s).

Level Two - applications focused on automation of management reporting or management information systems (MIS) (Introduced 1970s and 1980s).

Level Three - applications focused on the introduction of process technology in the area of distribution, including both the wiring of the front offices and the wiring of the customers computers directly into the financial service firm's back office systems (Introduced 1980s).

Level Four - applications focused on the introduction of algorithmic and artificial intelligence automation to areas of lower level decision making procedures (1990s and future).

(Bertrand and Noyelle, 1988:21)

The implementation of these processes was not in the precise linear fashion suggested in fig 2, and each innovation overlapped one another with increasingly complex effects on the organisation as suggested by the Cressey and Scott pattern in fig. 1. The relative slowness of this process was also advantageous to the banks until recently. As Bertrand and Noyelle (1988:13) comment "rarely did we find evidence that back office employment displacement had led to outright lay offs, because most often firms had planned ahead and managed retrenchment in back offices through labour market turnover, retirement, retraining and new job placement."

It seems clear therefore that had there been no banking crisis and recession in the early 1990s the banking sector could have coped much more comfortably with the introduction of new technology, certainly in Sweden where the banking system was more technically advanced than most other countries (Bertrand and Noyelle, 1988:86).

The Influence on the Organisation and Human Resources

The influence of new technology, the banking crisis and recession made a strong collective impact on organisational structures and human resource issues. There was a convergence of the long term, ongoing influences which new

technology had been quietly imposing, and the sudden impact of the banking crisis compounded by economic recession in the early 1990s. The recession and the bank crisis were also made much worse by the inflated optimism after deregulation leading to boom conditions which meant an even greater drop in business activity when it came to an ignominious end.

The immediate response was a wave of redundancies often couched in euphemistic management speak (downsizing, rightsizing, outplacement). By 1992 Barclays had made 3,000 staff redundant, TSB 5,200 and Nat West announced 15,000 job cuts over the next five years and swathes of branches fell, and were to fall, under the axe. One spokesperson for the industry claimed "many of the job losses are in the 'back office' where all the branches have been investing heavily in automated technology," but many quarters of the media blamed profligate expansionist policies in the immediate post deregulationary period (Kane and Springall, 1992:13).

By 1994 the industry had been radically altered although the Banking, Insurance and Finance Union (BIFU) condemned "the ritual jobs slaughter" and had initiated militant union action in many banks (TSB, Barclays, Nat West, Cooperative Bank, Royal Bank of Scotland etc) in an attempt to staunch the flow of job losses among other related issues (BIFU Report, 1992; Cressey and Scott, 1992:93; Whitebloom, 1994:14). Nat West has shed 23,000 employees since 1989, Barclays planned further redundancies bringing to a total 21,000 employees which meant that more than 100,000 jobs had been lost in the previous four years. Mr. Murphy, (The General Secretary of the Nat West Staff Association) stated that in such an atmosphere "staff morale was very low" (Whitebloom, 1994:14).

Similarly in Sweden there was a reduction from approximately 45,000 to 35,000 people working in the banking sector in the period of restructuring and the number of branches were reduced from 3,474 to 2,479 between 1986 and 1993 (Swedish Bankers Association, 1987:24; Swedish Bankers Association, 1993:31; Swedish Bankers Association, 1994:6). Such was the impact of restructuring that the Swedish Bank Employees Union (SBmf) was renamed the Swedish Finance Employees Union (Finansförbundet), an indicator of the contraction of employment in the sector as a whole. The union estimate that the financial sector lost about 12,000 jobs during the period 1990-1994 which accounted for approximately 24% in the sector as a whole (Karlsson, 1994:2).

Another problem was that many of the jobs whose staff had been made redundant would never be replaced. The convergent forces of new technology and retrenchment enhanced

restructuring of the organisation by delayering middle management, decentralisation of certain customer services and centralisation of data processing (Bertrand and Noyelle, 1988:27; Cressey and Scott, 1992:87). Branches were greatly reduced and many of the traditional services of the branches which remained were cut while the newer sales services were enhanced (Hamilton, 1993:6).

While many of these processes had been quietly underway from the 1980s the short term impact created a collective trauma for staff as uncertainty and change continued relentlessly throughout the early 1990s.

The Impact on Career and Jobs

The implications of these changes for career structure has been enormous, and the traditional view of banking as a career for life has been effectively undermined. In the early 1980s observers could state "for years banks have been regarded as excellent employers. A career in banking is regarded as a profession" (Livy, 1980:31), and "the clearing banks present an appearance of solid conservatism and orderly administration" (Taylor, 1980:63). As Cressey and Scott (1992:83) state "the honeymoon is over" as the shift from a high trust, paternalist, hierarchical organisational culture where employees were schooled in deference, has given way to a thrusting commercial environment based on individual results, team work operating in delayered structures in some parts of the organisation, and part-time monotonous occupations in other parts of the organisation. In addition many functions have been 'outsourced' i.e. put out to agencies (Mills, 1992:4). As a result there have been significant shifts in the type of personnel employed and in the design of jobs. This has also had a considerable impact on truncating and re-ordering grading structures which has resulted in "the dismemberment of the hierarchical and bureaucratic career structure that lent so much stability to banks, and just as critically, they are having to adopt a new industrial relations to decisively refashion human relations strategies" (Cressey and Scott, 1992:84).

'In the 1990s the evolution of British banks towards market oriented financial institutions may crucially depend upon how readily they are able to shed, not only jobs but also many traditional values, aspirations and institutions including their staff's expectations about career progression, jobs and environment, the paternalist industrial relations, and their bureaucratic orientation in order that they might become more market directed.'
(Cressey and Scott, 1992,85).

The role of the traditional bank manager and his branch staff for example has changed radically. Many of the imposing edifices which constituted the familiar symbols of reliance and traditional trust found in every high street are being sold off (some re-emerging as pubs and wine bars!) to be replaced, if at all, by shops, which reflect better the flexible commercialism of the new customer oriented environment (Hamilton, 1993:6). Branches are also being merged to form 'satellites' "whereby back office facilities are concentrated within one major urban branch in a locality, and hitherto independent branches are relegated to the status of sub-branches offering counter services only" (Cressey and Scott, 1992:89).

This has gone hand in hand with delayering in branches (particularly of middle managers) "to put employees in closer contact with customers, thereby increasing their understanding of the needs of specific markets as well as their ability to provide higher quality products and services to those markets" (Hiltrop, 1991:40). This has led to a greater decentralisation of human resource activities, greater flexibility and more 'empowerment' at local level. It has also led to the contradictory development of the erosion of the autonomy of local branch managers who are increasingly being replaced by senior clerical staff who rely on line support from regional and head office (Skills and Enterprise Briefing, 1991:3). The advent of powerful work stations that do not require IT specialists to drive them has revolutionised branch work (Dempsey, 1994:4). "Bank clerks have become 'Personal Bankers', using on-line computers to enable them to answer questions on financial services" (Skills and Enterprise Briefing, 1991:2).

At the same time new technology has facilitated a move towards centralisation in the basic banking functions by the spread of 'hole in the wall' cash dispensers, armchair banking and other services which are processed from centres staffed by computer operators many of whom are women often working on a part-time basis. This, for example, has been one of the major developments in the restructuring of the Cooperative Bank at their processing headquarters at Skelmersdale.

The relative increase in the number of women employed in the previously male dominated banking sector has been of interest to a number of researchers. Since 1980 women employees have formed the majority in the banking sector rising from 57% in that year to 62% in 1990, and part-time women workers have risen from 8.5% to 12% over the same period and are still rising (Cressey and Scott, 1992:85). However, despite their numbers, career opportunities remain

severely disproportionate to men (MacInnes, 1988; Springer, 1991; O'Doherty, 1993). Springer in an international survey has shown that women in USA, France and Britain have less opportunities for career advancement in banks than men, although it is particularly strong in Britain as Table 1 indicates.

Table 5.1

Women as a Percentage of the workforce in British and French banks

	<u>French bank</u>	<u>British bank</u>
Clerical	74%	64%
Appointed	67%	12%
Management	30%	2%

(Springer, 1991:123)

In Sparbanken, the Swedish case study investigated in this work, 68% of branch managers were women. These high figures were a result of a conscious policy by Richard Ringmar the managing director up to 1991, who encouraged 'women to dare.' This was facilitated by training programmes to encourage responsibility and raise self confidence (Tidlund, 1993).

O'Doherty sees this fragmentation of banking employment patterns "resulting in an increased polarity between highly skilled career mobile opportunities and low skilled routinised clerical operations" which he dubs 'ghettoisation' as women form the greater part of the latter group (O'Doherty, 1993:10). Such developments have important consequences for equal opportunity issues as well as human resource management, the initiatives of which are often couched in terms of motivation and commitment.

As O'Doherty observes in his study in one of the major clearing banks:

'The ability of management to generate and maintain a "cohesive atmosphere" was made extremely difficult by the fact that there is no stability and regularity in staff movements. Here it can be seen that a tension seems to exist between the nature of work and the recent HRM ethos, or ideology, of the bank which is attempting integration or elements of a "high trust" relationship in essentially a "low trust" environment.' (O'Doherty, 1993:18).

In essence there has been a confusion of management initiatives some driven by the necessity to respond to intense competition and to cut costs during recession, and some inspired by human resource management and other recent managerial concepts. Barclays, for example, influenced by the example of Wells Fargo Bank in California began to effect a significant culture change in the late 1980s. Between 1987 and 1989 "the bank moved to a market-led customer orientation, sales training was introduced, part of the regional power structure was eliminated, a number of family members were eased out of the bank, and a barrage of formal top-down communication was commenced" (Cassells and Norton, 1990:4). From 1989 an attempt was made to recreate the culture in the Wells Fargo image "where staff are essentially salespeople and not bankers, and where banking functions and "back room" processing are removed from the branch network. To support this vision, jobs were re-evaluated, grades eliminated, and performance-related pay and personal contracts introduced" (Cassells and Norton, 1990:4).

The culture change was not handled well and led to considerable resistance from staff at all levels and one year after implementation, in 1990, Cassells and Norton (1990:5) claimed that "the old culture is more or less in place." The recession of the early 1990s led to retrenchment policies which meant management initiatives moved from proactive change, driven by a vision of a market oriented culture, to a fire fighting reactive policy of large scale redundancies. The second managerial initiatives were regarded with equal hostility by staff, if for very different reasons, giving rise to a growth in union membership and some militant action (Davies, 1991; Brookes, 1994). However, union influence while witnessing an initial rise has on the whole been weakened in the long term by decline in union membership, partly affected by redundancies, partly by feelings of futility and partly because the growing army of part-time workers see less necessity to belong to a union as it seems not to affect their positions as much as those in 'traditional' bank occupations (O'Doherty, 1993:21; Brookes, 1994). In this atmosphere management has continued to implement HRM and other initiatives some of which have been directed at undermining union influence: for example, more direct communication with the workforce in an attempt to by-pass union channels; more individualised pay initiatives which undermines collective bargaining; and the implementation of employee involvement schemes. But as O'Doherty has claimed to see these as a coherent anti-union initiative is giving credence far too much to a coordinated strategy. The new terrain of industrial relations rests far more on the

restructuring of the organisation and introduction of new technology which have had the effect of fragmenting skill "as organisations move away from 'task continuous' to 'task discontinuous' structures, and so regulation and control will have to increasingly take on a normative function" (O'Doherty, 1993:26). HRM initiatives such as employee involvement schemes, we argue, attempt to reinforce this new culture even though their introduction had their origins in far less conscious anti-union policies originating in the 1980s which attempted to create a more market led atmosphere.

The introduction of such initiatives has led to a confusion of policies often introduced at different times for conflicting reasons. Some were introduced from the late 1980s to address commercial issues, others were introduced in the early 1990s to address problems created by the bank crisis and recession. The large scale restructuring and redundancies in Britain, Sweden and elsewhere has led to an atmosphere of fear and mistrust, hardly the best environment to introduce or induce the success of HRM style policies based on commitment and involvement such as employee participation.

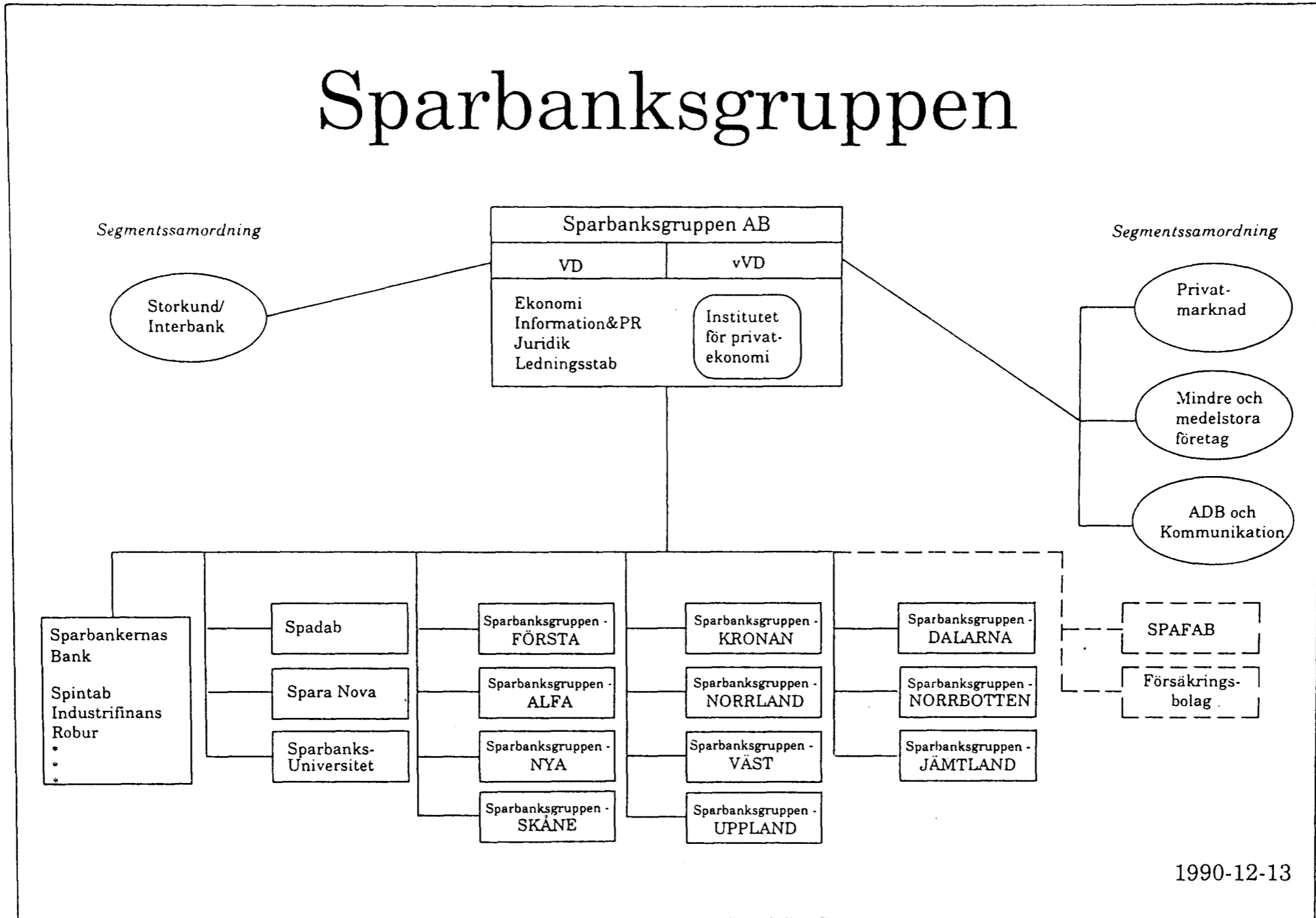
The Case Study Banks

These issues, particularly relating to employee involvement will be examined in more detail later but at this juncture it would be apposite to learn something of the nature and background of the two case study organisations. In this way we have narrowed down the field of research via Poole's model of participation from an international, to a national, and finally to a sectoral context, each dimension of which exerts an influence on human resource management and employee participation. We now finally begin to look at the organisations themselves.

Sparbanken

Upsala Sparbank (referred to as Sparbanken) is a relatively small savings bank located in the Uppland area of Sweden the centre of which is the university city of Uppsala (sic). It was owned and founded by the local government of the Uppland region and was therefore a publicly owned bank. Up to 1992 it employed 460 staff and had a total of 15 branches stretching from Stockholm to Uppsala and throughout the Uppland region. Even during the banking crisis in the early 1990s it remained in reasonable profit, partly because its loans were tied up in industrial and commercial companies

Chart 5.1



rather than pure property investments in contrast to other banks. Between 1986 and 1990 total assets increased from SK 3,739 million to SK 6,232 million, and operating profits from SK 53.4 million in 1986 to SK 93.7 million in 1990 (Upsala Sparbank in Figures, 1991:2,7. NB the spelling of the Bank 'Upsala' is different from the spelling of the region 'Uppsala').

While being a relatively profitable bank, Sparbanken's history since the 1980s in many ways reflects the national developments in Swedish banking. In 1982 in order to further increase the financial resources of local savings banks like Sparbanken, a loose consortium of the eighteen largest savings banks was formed under the aegis of SwedBank. "This enabled the savings banks to compete successfully with traditional commercial banks for major corporate clients, as the consortium can mobilise substantial credit resources" (Upsala Sparbank in Figures, 1991:4). SwedBank is the largest savings bank consortium in Sweden and one of the largest in Scandinavia, with considerable overseas interests. Like many other banks after deregulation in 1986 SwedBank and its subsidiaries expanded its commercial activities into international payments, documentary credits and collections, guarantees, foreign exchange, short term trade financing, medium-term Euroloans and export financing as well as at home into insurance and finance services. Overseas the bank has the title of SwedBank but in Sweden is known as Sparbanksgruppen AB, which was rationalised to eleven savings banks by 1990, including Sparbanken (Upsala Sparbank) now renamed Sparbanksgruppen, Uppland (see organisation chart).

In addition there was considerable investment in new technology, as was the case generally in many Swedish banks in the 1980s, and in this respect, in international terms, was in the forefront of change (Tidlund, 1993; Bertrand and Noyelle, 1988:86). Indeed the author remembers taking Swedish managers around one of the 'big four' city branches in the late 1980s and noting their surprise at the lack of new technology and archaic methods of dealing with cheques.

Despite the relatively profitable position, SwedBank was affected by the banking crisis and the recession in the early 1990s in Sweden mainly because one of the consortium, Första Sparbanken, made a pre-tax loss of SK 3.1 billion in 1991. Consequently the Swedish government was forced to bail it out with a with an unconditional guaranteed loan of SK 3.8 billion from Sparbankengruppen AB. This disaster helped to create a sense of crisis and forced Sweden's savings banks to recognise that if they were to survive and prosper they needed closer integration to deal with problems of

financial viability, and consequently a formal merger of the consortium took place in 1992. The new conglomerate had assets totalling SK 540 billion, at least 3 million customers and employs 14,000 staff in 785 offices in Sweden and abroad (Taylor, 1992b:2). By 1993 the new board under Goran Colbert, began to rationalise the organisation leading to a full scale restructuring throughout its operations including Sparbanken. By the end of 1993 the number of employees had been reduced to 10,600 (a 25% reduction) and branches had been reduced to 660 (a 16% reduction) (Swedbank Annual Report, 1994:20).

As a result of this rationalisation much of the local control of the bank was relocated into the hands of the central board in Stockholm (Tidlund, 1993). It was in this atmosphere of change that most of the essential research for this study took place. In January 1993 the Sparbanken management was informed by Stockholm that a more centralised structure which fitted the new organisation was to be created and this would mean the loss up to one third of its staff (approximately 140 people) and the organisation as a whole must lose 3,500 employees, more than 20% of the workforce. While the local board was consulted, matters of strategic importance were now very much in the hands of the Stockholm HQ. As one manager stated "a lot of the decisions that we could make in our own bank before here in Uppsala are now made in Stockholm" (Lindström, 1993). The local board situated in Uppsala is made up of 5 representatives (one local union representative, employed by the bank, one from Uppsala University, and the other three from outside companies) as well as the senior management of the bank (Tidlund, 1993). The Central Board in Stockholm, is made up of the Director General of SwedBank (Sparbanksgruppen AB), representatives of the bank subsidiaries (eg Sparbanksgruppen Uppland), representatives from ASEA Brown Boveri and other major Swedish companies with interests in SwedBank, and one representative from the Swedish Bank Employees Union, Svenska Bankmannförbundet (S.B.M.F.). It can be clearly seen that employee representation via the unions was very much in the minority.

By June, 1993 radical restructuring had taken place at Sparbanken and other parts of the Swedbank organisation. At Sparbanken (Uppland) the newly appointed managing director Nils-Fredrik Nyblaes, who had only taken up post in 1991, was promoted to the central organisation and replaced by someone from the Stockholm organisation. 110 people (24% of the total workforce) were made redundant and 30 other people were re-located to other geographical positions in the organisation (Tidlund, 1993). For example the personnel department was re-located to a town (Västerås) 70 or 80 kms

West of Uppsala, combining the personnel departments of the 11 other banks into one centralised function catering for the organisation as a whole. At the same time human resource functions were to be decentralised to line managers with the centralised personnel department acting in an advisory and consultancy role (Lindström, 1993). Here we see the same patterns of decentralisation of human resources as in organisations in the UK (Storey, 1992).

Employee Relations and Employee Involvement

In terms of employee relations generally the Swedish banking system was relatively conservative in its management style up to the early 1980s, and Sparbanken with its small size, evoked a particularly paternalistic culture, under the avuncular and well liked Managing Directorship of Richard Ringmar. The new technology changes in the 1980s were generally implemented without much concern or tension and with the full cooperation of union and staff, partly because under Swedish codetermination law, staff and unions must be consulted on the introduction of new technology. However, Bansler reminds us "that employers' exclusive right to manage enterprises is formally guaranteed by collective agreements.....(and) trade unions have thus, so far accepted that the right to make decisions about the introduction of new technology is a managerial prerogative" (Bansler, 1989:98). He later adds "that Scandinavian employers are quite often willing to listen and yield to workers arguments" but as a consequence unions "have therefore committed themselves to a policy of cooperation, which prevents effective worker opposition to management initiated changes" (Bansler, 1989:98).

In Sparbanken union density was over 90% which was comparable to the national average and most of the staff saw many benefits in being a union member. In the 1980s more flexible working practices had been introduced, with a concomitant increase in communications and more employee involvement initiatives like team briefing (although the term is not used in Sweden and is much more of a problem solving and discussion process than it is in many British organisations, including the Cooperative Bank). Training, always strong in Swedish organisations, was no less so in Sparbanken and staff were trained in IT, customer service practices and other forms of development. Although a form of performance related pay was introduced it was not based on appraisal but a separate assessment procedure and only formed a small fraction of the total pay of workers. Under Richard Ringmar's leadership from 1974 to 1991 many changes were instituted, taking Sparbanken from being a

hierarchical, formal and paternalistic organisation to a more flexible flatter structured organisation which had an atmosphere of employee commitment and involvement (Tidlund, 1994).

Despite the relatively harmonious employee relations in the 1980s the stresses and strains of coping with the banking crisis and the recession in Sweden had placed the bank in a position where hard decisions had to be made. While the staff and their representatives had to be consulted of any proposed changes in employment policy under codetermination law, the research reveals that these processes were, to all intents and purposes, cosmetic. An atmosphere of fear surrounded staff during this time who commented on their uncertainty as to what was happening and their emasculation from the decision making process. This was underscored by the fact that the HQ in Stockholm had overridden local power in strategic decision making and were now conducting policy very much at a national level. While the union was part of the consultation exercise it was to be kept distanced from participation in policy creation. The unions were, however, coopted to help carry out the 'outplacement programme' which was handled with as great a sensitivity and forethought as the situation would allow (Tidlund, 1994:8) but ultimately the decisions had rested very much in the hands of the Board in Stockholm where strategic policy was formulated. This raises questions concerning the quality and depth of employee involvement, particularly in pressured times. Such questions will be explored when we come to examine the in-depth research. However, it would be fruitful to examine the evolution of the formal systems of communication and employee involvement within the bank in order to contextualise these findings.

Direct Communications

Prior to the 1980s, communications within Sparbanken were dealt with in a very perfunctory way and were not perceived as being important to the employee relation policies within the organisation. Notices were posted on departmental noticeboards, bulletins were issued and distributed and occasional meetings with employees were organised at branch level, but the main information which most employees received about the bank's operations and changes in policy came via the unions and their representatives on the works councils (Tidlund, 1996:2). Despite the fact that Volvo and other manufacturing plants were introducing Quality of Working Life initiatives for example job enrichment and job rotation, such trends blithely passed by much of the banking and finance sector (Nycander, 1978:23).

By the 1980s technological changes within Sparbanken and the banking sector in general, had influenced a more considered approach to management. Many managers, particularly at senior level, were attending management courses and were becoming influenced by new approaches in the management of people. The implicit message in many of these management development programmes was an emphasis on the importance of employee communications and employee involvement (Tidlund, 1995:4). However, while there was no considered holistic HRM strategy, as there had in the Coop Bank in the same period, several management initiatives were aimed at increasing employee involvement.

A monthly newspaper for bank employees was produced in 1981 called 'Ekspressen.' In its columns news of the bank's commercial progress was reported and profiles of branches and departments were reported as well those of individual members of staff. The emphasis was on presenting a rosy picture of progress and cooperation to employees but there was little opportunity for staff to express their views, and certainly not in a critical way (Tidlund, 1996:4).

Throughout the 1980s bulletins became more regular being issued weekly and sometimes more often, and letters were also sent out from senior managers on various issues. In the late 1980s electronic post (E mail) was introduced and widely used on the computer network. This considerably enhanced communications between branches and headquarters at Uppsala. Promotional videos were also introduced but they were not necessarily aimed at staff but more for marketing and PR purposes although staff were encouraged to view them (Tidlund, 1996:3).

Suggestion Schemes

From the 1970s a number of suggestion schemes had been implemented which met with initial enthusiasm before petering out and being revived a few years later in another bout of enthusiasm. The main problem was that "top management didn't take any notice of employees ideas and due to lack of feedback tended to die out." The schemes worked quite well for a short time but "not enough time and care was devoted to them ... they lacked the motivation to keep them going" (Tidlund, 1996:2). It is also apparent that they lacked a clear purpose and operated as stand alone schemes without any attempt at integration with other management policies. The reasons for the failure of the suggestion schemes in Sparbanken are all too familiar and this

experience is echoed in many British and US organisations (Marchington, 1992:85).

Financial Participation

There are few financial participation schemes in the Swedish finance and banking sector at present and only Handelsbanken has a profit sharing scheme (Swedish Bankers Association, 1994:6). This is hardly surprising given the fortunes of the banking sector in recent years. However, in the 1980s there was an upsurge in profit sharing schemes "as devices for increasing employee commitment, and for retaining staff in tight labour markets" (Kjellberg, 1992:108). Sparbanken had a rather unexceptional scheme introduced in 1987 called 'Guldiken' (The Gold Oak Scheme), which stated that if there was a profit it would be divided between all employees. The company had to reach a key sum in the balance before any bonus was given. This was usually SK 5 million (approximately £500,000), but the directors decided how much to give and the percentage of the profits varied. It was not really sold as a motivational scheme and was severely disrupted by the banking crisis and has never been revived under the new structure (Tidlund, 1996:3).

It seems to have had very little thought behind it and was at best a 'bolt on' scheme, only loosely attached to a number of management policies. Not surprisingly its impact on the workforce was minimal as there was no expectation of reward as employees and indeed most managers were unsure how the scheme worked and by what criteria it operated (Tidlund, 1996:3).

Share options have never been seriously considered in the Swedish banking and finance sector and it is only recently that discussion has begun to take place, possibly due to influences from UK and other foreign banks. Adoption of such schemes in other sectors have met with considerable criticism from the Swedish union organisations the TCO and LO arguing that they undermine solidaristic wage principles and risk increasing the power of employers (Kjellberg, 1992:108).

Team Working

The concept of Total Quality Management is unknown in Sweden although there is a great awareness of the quality movement, both in terms of improving the quality of working life and improving customer service. Such conceptualisations as TQM are meaningless although team working is in operation in

many Swedish organisations and is usually highly developed (Milner, 1989; Maccoby, 1991).

In Sparbanken the origins of team working began in a small way in the 1970s when managers were encouraged to hold regular meetings (usually fortnightly) to inform staff of developments in the bank. These were often irregular and were not at that time considered a part of an integrated management policy. In the 1980s and under the influence of the then Managing Director, Richard Ringmar, who had at that time developed close relations with a management training consultancy attached to Uppsala University (IPF), team meetings became a more coherent and developed concept (Tidlund, 1996:4). Departmental line managers and branch managers were encouraged to hold weekly meetings which operated in a more sophisticated manner than the previous 'team brief' approach. Line and branch managers were encouraged to involve their staff in problem solving and to take responsibility for their work problems. This is a particularly Swedish concept and in the opinion of the author had become by the late 1980s an embedded part of Swedish managerial culture. Such approaches to E.I. were not perceived by unions as a threat to their communication channels but were regarded as another parallel system of employee involvement. In a sense team working operates at the micro-level and is the preserve of line managers and their teams, and co-determination operates at macro level and is the preserve of the senior management and union leaders. However, much of the literature on Swedish E.I. systems tends to concentrate on the working of the co-determination system and ignores the micro level operations unless they involve experiments in large companies such as Volvo and Saab-Scania (Rehder, 1994).

Through observation and in-depth interviews we perceived that the pattern of team working operating at Sparbanken involved regular meetings at least once a week and more often if required. These meetings tended to take place on Friday mornings and lasted at least half an hour and regularly stretched beyond an hour. The meetings were conducted by the line manager and involved the imparting of company information and talking about problems in the team. Discussion about possible solutions were also dealt with although emphasis in problem solving was placed on the individual or work team and consultation with the line manager and others was only taken up if a problem proved persistent. This is very much in line with the ownership of responsibilities approach encouraged in Swedish work systems and which contrasts strongly with the British paternalist approach (Brewster et al, 1993).

Line managers did not like to take over the tasks of their subordinates and there was feeling (common in Swedish organisations) that the manager should not become involved in individual or group's responsibilities. As a result a modest and restrained managerial style operated at Sparbanken, with a quiet emphasis on individual and team ownership of problem solving.

Co-Determination

In the discussions and investigations of Swedish employee participation much emphasis has been placed on the 'Swedish Model' and the co-determinational procedures which are built into Swedish labour law. This is not surprising as this is one of the edifices on which the Swedish model of industrial relations was built. As we have noted earlier in this and other chapters the Swedish model has been considerably undermined and is for many observers extinct. The employee participation mechanisms are still very much intact, albeit that the balance of power has shifted into the realm of the employers (Kjellberg, 1992:124).

In Sparbanken, as in the rest of the banking and finance sector (and indeed the rest of the economy), employees rely heavily on the unions as their chief representatives in the works councils and in conducting negotiations on their behalf on major issues. Unionisation at over 90% in Sparbanken was high and attendance at union branch meetings and workplace meetings was also high in comparison to the Coop Bank. This was partly helped by the fact that the union could hold meetings within working hours and union representatives were afforded excellent facilities and access to most parts of the bank. Monthly meetings were held with union members outside working hours, often in lunch time or just after work but usually on the bank's premises. The works council convened monthly meetings or more often if required, which shifted in location from Uppsala to Stockholm after the take over of Sparbanken by Swedbank Sverige. This was not viewed optimistically by employees at Uppsala who felt that their claims would not be received in the same way in the capital as locally in Uppsala. The union representative for Sparbanken Uppland, Helena Hammer, was convinced that the union was able to negotiate reasonably well in these changed circumstances (Hammer, 1994).

Nevertheless, in our interviews with employees within Sparbanken it was noticeable that a degree of pessimism and indeed scepticism prevailed over the union's ability to defend their position particularly during the crisis that

threatened to engulf the bank. This we will examine in greater depth in the findings chapter.

The Cooperative Bank

The Cooperative Bank as its name suggests has its roots in the Cooperative movement and was founded in 1872 under the auspices of the Cooperative Wholesale Society (Cole, 1944:164; Birchall, 1994:132). After an act of parliament in 1971 it became a fully fledged clearing bank and joined the main banking associations. In 1973 it introduced 'free banking' and "established a reputation for innovation and customer service" (Roberts and Wilkinson, 1991:391). It expanded rapidly in the 1970s but began to experience difficulties in the 1980s. The increase in competition as building societies entered the field of banking after deregulation, led to an extension of services which the larger banks and building societies could initiate more easily, this together with market saturation in seeking 'unbanked' customers led to tighter squeezes on profit margins. In the words of one manager the Cooperative Bank was "stuck between the Big Four and the building societies and lost" (quoted in Roberts and Wilkinson, 1991:391). In 1987 its current account market share was 2.5% after Barclays (21.3%), National Westminster (19.8%), Midland (15.9%), Lloyds (15.3%), TSB (14.0%), Girobank (5.2%), Royal Bank of Scotland (4.0%) and Yorkshire Bank (3.7%) (Wilkinson, 1990:119). It is thus a relatively small player.

In response to the changing commercial climate of banking in the mid 1980s it set about creating a new strategy to meet these new challenges. This hinged on the introduction of new technology partly to facilitate a more efficient customer service which would be supported by a staff trained in the skills of this new approach. While the bank felt it could not compete with the expansion of services which the 'big+ four' initiated in the 1980s, it set its sights on a more efficient and streamlined operation. The centralised computerised system established at Skelmersdale facilitated 'armchair banking' together with the expansion of credit card facilities such as visa and gold card. As one recent leaflet proclaims to customers "there's more to your bank than branches" an indication not only of the change in service direction but also the re-structuring of the organisation into a new centralised operation. A range of new savings accounts were initiated and the electronic banking system joined the 'Link' network of automated cash dispensers giving customers access to over 5,000 machines nationwide mainly outside building societies (Annual Report 1991).

An agreement concerning the introduction of new technology was amicably settled with the union as its introduction had taken place within the context of a period of expansion in the early and mid-1980s (Wilkinson, 1990:179).

In the early 1990s the Cooperative Bank, like other banks began to experience extreme difficulties and for the first time in its history registered a loss of £15 million: "a drop in the ocean compared to Barclay's losses" (Everett, 1995:10). This, nevertheless, caused considerable concern to the extent that at one point even future survival was considered questionable (Everett, 1995:10). In the light of these events drastic measures were called for in terms of downsizing the organisation, putting a freeze on pay, stripping down branch functions that were not directly to do with customers, increasing telephone banking for the mundane current account customer services and introduction of a voluntary redundancy programme. Not surprisingly the impact on the employment strategy devised in 1987 was considerable and this will be further explored in the sections below.

Human Resource Management and Employee Involvement

The new strategy devised by the bank in the changing climate of the 1980s was underpinned very strongly by employee relations policies bound up with initiating a new management style rooted in human resource management which would support the moves towards a more efficient customer service. Personnel or human resource management as it was retitled moved into an influential position driven by a new external appointment, Ken Lewis, who assumed a forceful position with the board (Wilkinson, 1990:175). In 1987 a human resource strategy paper was conceived which indicated four areas of future policy:

'Firstly, cost control and head count reduction. Secondly, a remuneration policy relating pay to performance and in the long term a new pay bargaining strategy stressing affordability. Thirdly, it was necessary for 'good' union relations although the union should not be in a position to obstruct change. Fourthly, this was to be underpinned by cultural change, new management style and greater line management authority and accountability to staff' (Wilkinson, 1990:175).

There was some resistance to these changes by both the Union (BIFU) which had a strong presence within the bank with virtually a 'closed shop,' and from some managers and staff

who perceived the new trends to be in contravention to the spirit and ethos of the Cooperative movement (Wilkinson, 1990:123).

By the mid 1980s the Bank employed approximately 4,000 people in over 80 branches and despite the difficulties it had experienced in that time had continued to recruit (Roberts and Wilkinson, 1991:392). Under the new strategy the priority was reversed and a job security agreement was negotiated with the union which embodied the need for staff reduction but with no compulsory redundancies (Wilkinson, 1990:180). This was done by a combination of cessation of recruitment, reduction of temporary and agency staff, reduction of overtime, early retirement, redeployment and training and voluntary redundancy (Wilkinson, 1990:181).

The other three provisions in the HRM strategy concerned the introduction of new employment practices and a new managerial culture, each of which had the potential for creating tensions and conflict with the union. These initiatives were all "indicative of a new more performance-oriented management style" (Wilkinson, 1990:186). The new Human Resources Manager was immediately aware of the paradox this new strategy created in the Bank's relations with the union:

'We must amend, or cease, current agreements with BIFU which inhibit our ability to manage the business effectively.... We must, however, maintain strong links with the Union which is a principle of the Cooperative Movement.' (Paper to the Policy Committee on Remuneration Policy, August, 1987, cited in Wilkinson, 1990:188).

Within the next few years a number of HRM style initiatives were introduced including performance related pay initially for managers, later to be extended to all levels of the organisation. Moves were made to reform the grading structure and job evaluation which were increasingly becoming outmoded, and some senior management left the union and were removed from the pay bargaining procedure which was conducted at lower levels in the organisation. Profit sharing was also introduced (Wilkinson, 1989:15,16). Operational issues and responsibilities were to be devolved to line managers and training was to be increased particularly in customer care and in other closely related skills. The Personnel Department (or Human Resource Management Department as it had now become) would "become creative consultants, having an advisory and supportive rather than 'fire-fighting' role" (Wilkinson, 1989:18).

A conscious attempt was made to improve direct communications with the workforce and employee involvement schemes were introduced, including team briefing and a brief dabble with quality circles, eventually leading to the introduction of Total Quality Management (TQM) in the early 1990s. Indeed in the newly composed Mission Statement the second of the eight principles was "Participation: to introduce and promote the concept of full Participation to all our customers and staff" (Annual Report, 1991:1); and in 1991 the Bank was proud to announce that it had won a National Training Award for its TQM training programme (Annual Report, 1991:11).

The below surface tensions did not dissipate and indeed were intensified in the early 1990s with the onset of the banking crisis and recession. By 1992 the Bank had 107 'traditional branches' and employed 3,684 people, having reduced its numbers by 753 from 4,437 in 1991. In this climate of retrenchment the Managing Directors Report spoke of the desire to reduce staffing levels by 1,000 people or 22% of the total workforce within the following 18 months (Annual Report, 1991:8). Eventually a series of confrontations with the union (BIFU) began to emerge. Coinciding with the proposed job losses which BIFU claimed were in contravention of previously negotiated agreements, the Bank also announced a pay freeze to last at least six months. In addition fundamental changes were introduced to the grade structure which concerned the union as well as the increasing casualisation of jobs, particularly at the Skelmersdale site (Brookes, 1993; BIFU Annual Delegates Conference Report, 1992:19). More alarming for BIFU was an attempt by the management to persuade staff to sign individual contracts "if they wished to have their pay increased by Christmas" (BIFU Annual Delegates Conference Report, 1992:20).

The union's response was to use one of the Cooperative Bank's most successful marketing ploys as being an 'ethical bank' to publicise its message. A BIFU leaflet at the time proclaimed "Sackings expose the ethical bank." As Keith Brookes the full time BIFU Assistant Secretary for the Northern Region stated:

'From a staff force in 1989 of around 4,500 the target was to cut down to 3,200 over 2 or 3 years. We handled massive redundancies in 1991 at the same time as arguing with them on pay. Now perhaps it suited the Bank to argue with us on pay provided we could get the redundancies through on a voluntary basis.'

(Brookes, 1994:11).

In 1992 a proposal to establish a works council was interpreted by BIFU as another employee Participation mechanism to undermine union influence in the Bank. Leif Mills, BIFU's National General Secretary, commented on the proposal by stating "the Coop is an awful employer when it comes to consultation, negotiations and conditions for their staff" (Weston, 1992:18).

Many of the HRM initiatives, particularly the employee Participation measures, were interpreted by BIFU as a conscious effort to undermine union presence and influence and were regarded with hostility if not suspicion (Brookes, 1994:13).

Employee Involvement

As we have already seen a number of employee involvement (E.I.) initiatives were introduced on the raft of HRM strategy, and E.I. was one of the central planks of the strategy and much emphasis was placed upon it. The Employment Relations Strategy document states:

'...it is essential that we communicate directly and effectively with our staff to ensure that they are made aware by the Bank of our position and intentions..'
(Cooperative Bank, 1987:8)

It was also emphasised that "the Bank must not leave communications to BIFU....although this will be unpalatable to elements of the staff and union" (Cooperative Bank, 1987:8). Clearly a culture change was being signalled and E.I. measures were to play a large role in effecting this change.

To create effective communications, in this first stage (pre-1991), the strategy document stressed the importance of a change in management style. This was to be achieved by a more open style of management, embracing suggestion schemes, 'open door' policies to encourage staff participation, managers 'walking the job' and the introduction of team briefing systems (Cooperative Bank, 1987:9,10).

However, in reality the E.I. measures tended to emphasise the communication of information coming from the Board rather than a two way system which effectively attempted to acknowledge the attitudes and opinions of the workforce, and it was not until the post 1991 (second stage) period that more attention was given to measures to harness staff knowledge via more effective feedback methods, such as TQM.

Profit Sharing

Under the auspices of the new HRM strategy a number of new E.I. initiatives were introduced one of which was profit sharing, and as such is the only form of financial participation in the Cooperative Bank. Given the cooperative concept of consumer ownership there was much discussion as to whether a scheme involving employees sharing profits was in line with the cooperative organisation's principles. There had been a full blown debate about profit sharing in the late 1970s which was initially rejected but the changing climate of the 1980s finally led to its introduction in 1988. By this time it was felt that it would fit the overall HRM strategy which greatly emphasised employee motivation and performance. A profit sharing scheme was felt to support this by inducing employees to identify their own performance with that of the organisation.

The scheme provided for a distribution of 5% pre-tax profits which amounted to 2.2% of salary each year until the crisis hit the bank in 1991. Even then it was seen "as more in line with the new pensions scheme rather than anything to do with employee involvement... and others simply saw it as extra money similar to Christmas bonus" (Wilkinson, 1990/91:23). Not surprisingly, the profit sharing has had little impact considering that it was unable to share any profits until the Cooperative Bank returned to a positive financial situation in 1994 (Annual Report, 1994).

Suggestion Schemes

This scheme was introduced in 1987 and was one of a number of small E.I. initiatives in line with the new HRM strategy. Emphasis was placed on two way communication. The suggestion box itself was kept by branch administrators and a bottle of wine awarded to the best suggestion each month. "However, it appeared to be of very marginal importance. This was partly attributed to the informality of the branch, and much was achieved by chats in the corridor" (Wilkinson, 1990/91:29).

This is attested to by the fact that "only a small proportion of the staff had ever put a suggestion in the box" and many felt the reward was not adequate (Wilkinson, 1990/91:29). The suggestion scheme limped on into the 1990s and was finally abandoned when TQM was much more established and staff could make suggestions via their work groups or teams.

Direct Communications

From 1986 and in line with the HRM strategy, communications to staff were increased in terms of the number of channels and the frequency of communication. A variety of bank newsletters began to appear regularly for example 'Action Line' and 'Banknotes' which gave staff more information about the bank's activities such as marketing, finance, employee relations and other initiatives. In addition videos of the managers' conference and the Managing Director's speech were made available to staff, and appear to have been well received (Wilkinson, 1990/91:29). The clear aims were to make staff aware of the bank's operations in order to generate greater commitment to the organisation and challenge the union communications monopoly.

Team Briefing

The most prominent E.I. measure to be introduced immediately after the new HRM strategy had been announced was team briefing. It was introduced mainly to support the policy of open management, provide an alternative to the grapevine, support the role of the line manager and challenge the union monopoly on information. It was also acknowledged that it was useful to communicate disturbing measures directly to employees, for example, reductions in work force levels.

The importance of the timing of briefings was also emphasised and line managers were urged "to ensure that staff had full information prior to any forthcoming BIFU ballots and then try to put them in the right direction when voting" (Cooperative Bank, 1988:4). Briefings came from head office, were checked and edited by the Personnel Department for sensitivity and suitability before being dispatched to branch managers and departmental heads. Briefings were carried out by line managers within 48 hours of dispatch to work groups comprising no more than 7 people. They were also often combined with general staff meetings but a number dealt with specific issues only, such as negotiations with BIFU, often in an attempt to pre-empt forthcoming union newsletters.

Given the covert purpose of undermining the union's communication 'monopoly' it is not surprising that BIFU was suspicious if not hostile to such measures. But there was also criticism from management, even though they generally welcomed team briefs. There was a feeling that the briefs were couched in too much jargon, that they peddled the 'party line' and there was much that related only to

specific branches or issues often irrelevant to other areas. It was also felt by employees that managers were not adept enough to conduct the brief well, and that allowance for employee feedback was minimal. Line managers also complained of a lack of feedback from senior management levels. There was also a feeling that employee expectations were falsely raised in the sense of giving them more say in the organisation (Wilkinson, 1990/1991:24,25).

Nevertheless, managers and some employees welcomed briefings and felt that as a result they had more information and therefore greater understanding of the organisation and the intention and reasoning behind senior management decisions (Wilkinson, 1990/1991:26).

Total Quality Management

Team briefing while viewed optimistically by senior management and the HRM department still operated in a pre 1991 structure as did the introductory stages of TQM, the next major E.I. initiative. There was "a traditional hierarchical structure and managers still largely performed a very traditional role" (Everett, 1995:5). Predominantly information was cascaded through circulars, instructions and briefs. In 1987 Terry Thomas had been appointed Managing Director and as we have noted he set out a vision of organisational change which came to be called 'Terrystroika.' In this he was fully backed by Ken Lewis who was appointed as Head of Human Resources in 1988. Their vision, embodied in the Mission Statement, was to "break down the barriers" and reconstruct the organisation by "returning to the principles of the Rochdale pioneers of 1844, by applying new style managerial concepts" (Everett, 1995:7).

Total Quality Management (TQM) was thus to be the first major initiative of the new style management rolling out from the Mission Statement. Its inception and implementation spanned the pre-1991 and post 1991 watershed where the bank began its struggle for survival in the banking crisis and recession.

The implementation of TQM began at the end of 1988 and a large scale training programme was established in 1989. A steering group was responsible for managing the programme chaired by Ken Lewis. In the initial stages consultants were brought in to 'kick start' the programme. After a few months TQM coordinators throughout the organisation replaced them. Their task was to make sure that everyone in the organisation was trained. These coordinators attended a

number of courses at Stanford Hall, the Cooperative Bank residential training college. Everett (1995:7), then Employment Relations Manager states:

'the coordinators as a result became quite a strong lobbying group because they were saying we'll do it but we want to see certain things changed.'

According to Wilkinson et al (1991:25) the TQM programme itself consisted of both hard aspects for example, control charts, service level agreements and other TQM controls and 'soft' aspects such as general commercial awareness, team working, interpersonal skills workshops, customer service requirements (called customer awareness) and process mapping. Process mapping was the first TQM programme introduced which was greatly liked as employees were asked to seek better ways to improve their work processes thus allowing some degree of autonomy from the traditional processes which had often unnecessarily hidebound banking procedures (Everett, 1995:8). Everyone that supervised staff had 5 days training, normally off site, and they in turn cascaded training down within their own groups.

The second major part of the TQM programme was customer awareness:

'much of which was identifying who customers were, and that built a basis of understanding in the organisation which had not existed before. It harnessed an awful lot of potential and participation of the staff.'
(Everett, 1995:8)

The post 1991 period was marked by the eruption of the banking crisis and a prolonged recession which threw much of the sector into chaos. The Cooperative Bank as we have already noted, was not immune and the crisis had the effect of impacting on HRM policies and with it E.I. measures, such as TQM, which were pivotal in the overall strategy. Ideas such as empowerment and commitment were soon to be undermined as a raft of retrenchment measures were implemented which had the effect of challenging the whole ethos of trust embedded in the softer aspects of HRM policy and TQM practice. The union was not slow to exploit these contradictions and launched attacks on the E.I. measures including TQM as being a threat to independent channels of communication which did not "peddle management's sugar coated bitter pill"(Brookes, 1994:7).

In effect external factors such as the banking crisis and economic recession had impacted on HRM and E.I. policies

producing what we believe was a move from 'soft' to 'hard' employment policies in this period.

By 1991 much of the initial TQM training programme had been completed and continuous training, for economic reasons, became much more reliant on the cascade system. The banking crisis brought new pressures which in turn affected the operation of TQM, and when we embarked on our research in 1992/3 this was clearly evident. Staff increasingly felt unable to operate the system as intended due to work pressures brought about by less people performing more functions and having higher work loads. This aspect will be explored more fully in the research findings chapter.

On returning to the Cooperative Bank in 1995 to interview Shelagh Everett, now Head of Human Resources, and on being questioned about the progress of TQM she had noted that many employers had asked 'What's happened to TQM?' Her rationale was:

'in retrospect we should have made more clear to people that TQM was part of a route. TQM is one of the foundations - we need to go back and reinforce things' (Everett, 1995:9).

Her belief is that TQM has been subsumed into a more holistic system of HRM, and TQM had acted as a culture change instrument to effect a more homogeneous style of HRM. She also believes that even HRM itself has become absorbed into an integral managerial system where reliance on devolved functions to line managers is much more self evident. We are not totally convinced by this reply which seems to contain elements of rationalisation. Further research on these subjects would prove fascinating and very pertinent to the whole HRM debate but the constraints of this research prevent that within this context.

If we are to accept the Cooperative Bank's HRM department's views, a rolling evolutionary process has been underway since the middle 1980s in which E.I. measures have progressed from primitive methods of direct communication which allowed little employee feedback (team briefing), through a TQM programme and finally onto a devolved form of line management team working (Everett, 1995:11). While this retrospective view has a satisfying synergy, we believe it owes more to an attempted rationale of a very complicated and messy process made chaotic by the banking crisis and the economic recession which created many unforeseen circumstances leading to many hard policy decisions. However, on a more positive note one can argue that the Coop Bank leaders, Terry Thomas and Ken Lewis, had the foresight

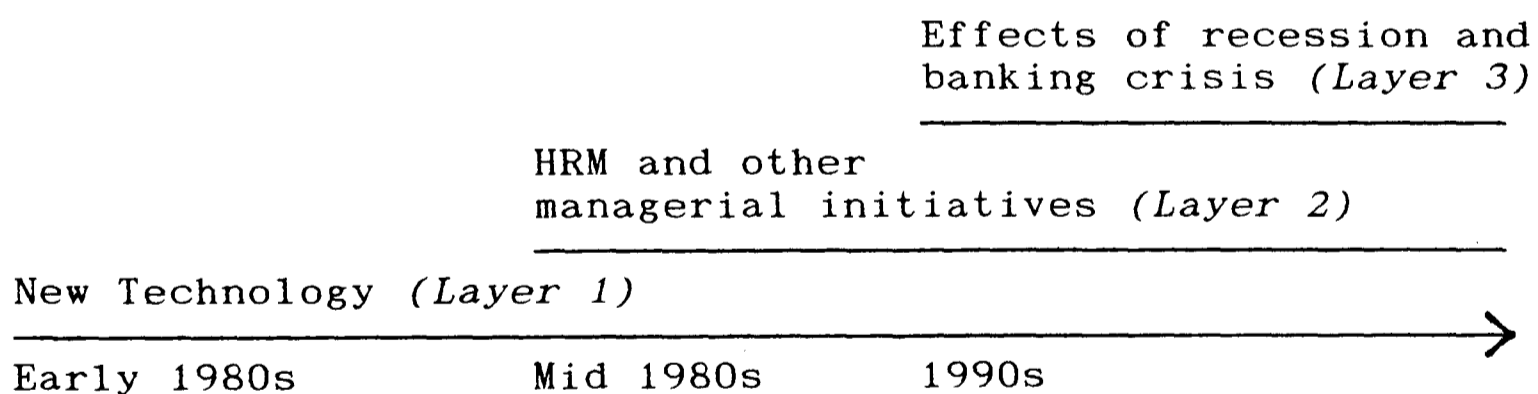
to initiate HRM strategy long before these external circumstances impacted and therefore avoided some of the worst excesses of restructuring which the bigger and more established banks underwent in the 1990s.

Conclusions

The changes in employee relations in the banking sector and in the case studies in particular indicate that it was not the introduction of new technology which created tensions but the restructuring which occurred as a result of the banking crisis and recessions which affected both Britain and Sweden. In addition many of the employee relations initiatives associated with HRM were being instituted before the onset of recession and were conceived as a response to the need to improve customer service with the intensification of competition in the sector. The recession and banking crisis of the early 1990s overlapped these initiatives, and what started out as being a positive managerial exercise with the uneasy consent of the unions in the 1980s, evolved into a conflictual relationship in the Cooperative Bank, and in Sparbanken while conflict was relatively absent, a climate of fear began to replace the climate of trust.

An overlaying effect can be observed of the changing influences on employee relations in the banking sector, denoted in Fig 5.3.

Fig 5.3 Overlay of Influences on Banking Employee Relations



New technology has had the longest effect on banking organisations, stretching back to the 1960s (indicated here from the 1980s - layer 1). The impact of new technology itself was masked to a certain degree by the commercial boom in the middle to late 1980s which after deregulation led to an intensified market. This gave rise to greater managerial initiatives (layer 2) couched very much in terms of customer service policies. The final layer of influence

(layer 3) was the effect of the recession and banking crisis in the 1990s. By this time each layer of influence was coming together to produce a complex series of effects on the banking industry.

New technology has had a long term effect on employee relations in the banking industry leading to centralisation of some 'key time' basic banking functions with the increased use of part-time staff, and the decentralisation and devolvement of more commercial functions to branch level with more initiatives to a delayered and 'empowered' group of managers and staff. Many predictions had been made about the cataclysmic effects of such changes on restructuring and redundancy. All the indications are that this process had been somewhat exaggerated in the early 1980s because the trend was delayed by the boom and growth after deregulation. Deregulation, and in its wake the realisation that 'overbanking' had been reached, meant that banks had to increasingly use other methods to attract customers. HRM and related managerial techniques was one way of effecting a customer oriented staff. The atmosphere of expansion which prevailed during the introduction of these techniques enhanced the positive claims of these initiatives.

The effect of the bank crisis followed by the onset of recession starkly exposed the overstaffing situation which could no longer be hidden or cushioned by expansion. The result was the implementation of fire fighting measures to contain the crisis. This disturbance in employee relations was to have a profound effect on the way employees perceived human resource management issues and participative processes. The paradox clearly pinpointed by the Head of Human resources in the Cooperative Bank became a strong reality in the difficult economic period of the 1990s. These and related issues we will examine more deeply in the findings chapter.

Chapter 6: Methodology

Introduction

The major concern of this chapter is an examination of the methodological approaches of the research and why they were used. Methodology, of course, is influenced by theory, and theory by methodology, and as we shall discuss later, the conceptualisation of theory, rooted in objective and/or subjective processes of research can have a powerful influence on its ultimate formulation (Frankfort-Nachmias and Nachmias, 1992:36). Some of the methodologies considered below are rooted in the 'empiricist' tradition which some critics have criticised in the sense that phenomena can be reduced to measured statistical responses. However, we recognise that these theories have provided explanations concerning the complex interrelationship of comparative variables and have set the agenda for later much more refined methodology and theory.

Problems of International Research

Roberts (1970) has basically divided up research of an international comparative nature into two approaches: one at the micro level and the other at macro level. Research at micro level concerns the effect of 'culture' on individual attitudes or behaviour in organisations. At macro level researchers are "interested in macro variables, such as characteristics of total organisations, and tend to aggregate individual measures to obtain organisational measures" (Roberts, 1970:59). Data for the latter group tends to be drawn from sources such as summaries of organisational, production of national economic statistics (macro data). Both approaches raise considerable problems for the researcher.

Problems of Research at Macro Level

At macro level, apart from the theoretical debate, there are many methodological problems which face the researcher these include:

1. Lack of data.

It is only relatively recently that many countries have begun to keep detailed records of their economic performance eg GNP, growth rate, unemployment, trade balances, work force statistics etc.

2. Lack of comparative data.

Even though advanced industrial nations have been keeping such statistics for many years, there is still a lack of comparative data as trade union statistics, the measurement of GNP, unemployment etc can all be measured quite differently in different countries.

3. Statistics and similar data are highly political

Disraeli's observation that "there are lies, damn lies and statistics" remains true today as it was in the 19th Century. Statistics and similar data are highly political and open to manipulation and bias - in the way it is collected and the way it is presented for public consumption. The worse excesses were reached under the Soviet system when even Communist officials no longer believed the figures they gave to an ever growing sceptical Russian public. eg Five Year Plans. While many governments are not so crude in their massaging of statistics most do manipulate figures for their own purposes. For example successive Conservative Governments under Margaret Thatcher have been accused by opponents of manipulating unemployment figures by instituting over 30 changes in the way they are measured; nearly all successively reducing the number on the official register.

4. Breaks in Data Series

Another difficulty is to find a series of figures which do not have a break of consistency. For example, is it possible to meaningfully compare unemployment statistics of the 1930s with the 1980s?

5. Time lags in Statistics

International statistics are also noted for having time lags where one economy is behind in furnishing statistics. One country may be giving data pertaining to a period as much as one year behind another country's data on the same subject.

6. Language

Language and meaning can be diverse even though the same words are often used these can cause confusion. Job titles vary widely from country to country. For example the nearest equivalent term for 'management' in France is 'cadre',

although the meanings are not the same. In consequence the English term 'manager' is increasingly being used in French organisations. Japanese corporations have no concept of management development and prefer what can only be described as 'capability development' which applies to all employees. In the UK Health and Safety has a narrow meaning whereas in Sweden the concept 'Working Environment' is much wider incorporating health and safety policies but also concern with the physical environment such as architectural, interior design and ergonomic influences on the well being of employees. Both are concerned with the same areas but with quite different interpretations. 'Competence' is interpreted quite differently in Sweden from in the UK. The UK definition means acquiring a specific skill or capability, whereas in Sweden the term is seen in a much more holistic way which encapsulates how employees learn to fit into, and work with, teams and the organisation as a whole.

7. Comparative Economic Performance

Some national economies emphasise some aspects of economic performance more than other because these are the areas in which they are strong eg agriculture, new technology, engineering, and this can skew comparisons.

8. Cultural Differences

Cultural differences can give quite differing approaches to the same data. This can affect interpretation and meaning. This is explored in detail below.

9. Generalisation

Generalisation is necessary but can lead to dilution to the point where the interpretation of the data can become meaningless. For example regional differences could be ignored because they do not fit a national pattern.

Problems of Research at Micro Level

At micro level there are as many, if not more, difficulties which confront the researcher.

1. Ethnocentrism

Ethnocentrism has been defined as an "exaggerated tendency to think the character of one's own group or race superior to those of other groups or races" (Drever, 1952:56). This can manifest itself in sub-conscious ways in devising instruments for cross cultural study by making assumptions about the people of the society to be studied based upon one's cultural bias. While a number of checks can be effected, such as, for example, translation and back translation of questionnaires, the total elimination of these attitudinal influences is doubtful. The cultural values of the researcher continue to affect the research through its various phases particularly in the interpretation and analysis stages.

2. Language

As we have already noted language can play an enormous part in acting as a barrier to research at the macro level. At the micro level where meanings are inextricably entangled with culturally conditioned perceptions and behaviours of individuals, the potential for methodological difficulties in the interpretation of meanings can become a minefield. This is because "language is the most clearly recognisable part of a culture" (Hofstede, 1984:27). The 'Whorfian Hypothesis' states that "observers are not led by the same picture of the universe, unless their linguistic backgrounds are similar or can in some way be calibrated" (Fishman, 1974:65). As we have already noted, some languages do not have words for concepts which exist in other languages and may encompass more than one concept.

3. Representativeness of Samples

The problem of representativeness confronts researchers in a variety of situations, as it does the student of comparative research. How can one be sure that the group under consideration represents the culture and values of the society in which it exists? Is the group under consideration atypical or typical of that culture and can the researcher create generalised opinions about the whole society from the samples under scrutiny? Sample validity may not necessarily depend on size but on representativeness in terms of for example sex, age, life experience, work experience, education and a number of other factors. Opinion pollsters for example make considerable use of sampling techniques to validate representativeness, and on many occasions make mistakes in their 'predictions.'

4. Practical Problems in Comparative Research

The comparative researcher is often confronted by many practical problems: for example "getting access to matched samples in different cultures can be enormous, and researchers have to accept compromises in order to obtain data at all" (Hofstede, 1984:30).

Another obvious but oft recurring barrier to comparative research is the lack of resources in terms of time, money and personnel, and even in large projects such as the Price Waterhouse Cranfield Survey (Brewster, Hegewisch, Lockhart, 1991) there are limits to resources which may prevent researchers following a desired path or allowing follow up research of an in-depth nature.

International Surveys

From the 1960s there has been an increasing interest in comparative research but as yet it still remains in relative infancy and of a limited nature. For one thing there has been comparatively little research of a cohesive quality, and that which exists poses problems of interpretation.

Comparative studies into international aspects of the employment relationship have been carried out for a number of years from an industrial relations or labour market perspective, but these studies were usually made at macro level and were often reliant on secondary sources and are open to the weaknesses we have already reviewed. More often than not experts from a number of countries outline the main developments of their own country in a self contained chapter which does not lend itself easily to comparative analysis (Wilczynski, 1983; Bean, 1985; Poole, 1986; Bamber and Lansbury, 1987; Lane, 1989; Baglioni and Crouch, 1990; Brewster et al., 1992).

There is a growing body of literature concerned with transnational and expatriate managers, as these are the people most likely to experience a variety of international settings, and greater attention in their selection, training, development and career succession has been given to them by a number of multinational companies (Brewster, 1991). Torbiörn (1982) has made a close examination of the adjustment process which expatriate managers experience in postings abroad, and as we have already noted, Hofstede (1980) and Laurent (1983) have examined cultural differences of managers. Kakabadse (1991) has made a wide quantitative

and qualitative international survey of managerial top teams, which is still continuing. But the concerns of these managers constitute a limited, though important, part of HRM related subject areas.

Studies of comparative and contrasting aspects of personnel management, management, management styles, international business and organisational behaviour have been undertaken but these, in many ways, serve to illustrate the hybrid nature of comparative research. For example in the discipline of human resource management (HRM) there have been a number of single national surveys (Brewster and Tyson, 1991; Storey, 1992; Tyson et al., 1993), and various dual or multiple country qualitative studies and case studies, but there have been few internationally comparative quantitative surveys.

One such survey was the Price Waterhouse Cranfield Survey on Strategic Human Resource Management, which we shall examine in greater depth later in this chapter.

Methodological Approaches in Comparing Employee Involvement in Swedish and British Banks

The difficulties facing the student of comparative research reviewed above, are now contextualised within the framework of a piece of specific research: a comparative study of employee participation in banks in Britain and Sweden.

Access

The choice of banking as a sectoral comparison was made on the basis of the homogeneous changes affecting the banking industry in Europe and the world (Rajan and Fryatt, 1988). Changes in the banking world of the 1980s and the 1990s were globally similar in terms of economic and organisational expansion and technological change in the 1980s and severe retrenchment in the 1990s recession.

Via contacts through regular courses for Swedish managers at Cranfield School of Management we were able to gain access to carry out research in a Swedish bank, Sparbanken, based in the Uppsala district in Sweden with headquarters in Stockholm. Believing that gaining access to a Swedish organisation might otherwise be difficult and having a willing contact within Sparbanken, it was decided to begin to seek access to a corresponding British bank.

The Cooperative Bank was approached and the Head of Human Resources agreed to access with full cooperation, including the circulation of questionnaires. It must be stated at this

juncture that the researcher gained full cooperation from both the Swedish and British banks despite the sensitive nature of some of the research areas covered.

The Organisations

A question which immediately arose was how representative were the Cooperative Bank and Sparbanken of high street banking organisations in Sweden and Britain?

At the time of the research 1992, Sparbanken was a relatively small bank employing a total of 460 people and was placed ninth of the ten leading savings banks. Nevertheless, Sparbanken was part of the Sparbanken Sverige (SwedBank) Group which has extensive international connections.

Likewise the Cooperative Bank is relatively small compared to the big four banks in Britain, National Westminster, Barclays, Midland and Lloyds, but has extensive high street outlets as well as outlets through cooperative retail organisations.

In many senses they are not representative of the banking industry in each country. To begin with they are relatively small with limited international connections. The Cooperative bank was born out of the Cooperative movement, and Sparbanken was once publicly owned by local government before being privatised in the 1970s. These are not the origins from which the large scale banks in Britain and Sweden emanate. The aim of the research, however, is not to compare banking systems per se, but to provide a matching pair of organisations in each national setting, to specifically examine employee involvement. Thus they are matched because:

- they are both high street bank operations.
- both are relatively small
- both provide similar services
- both have undergone similar changes influenced by events in the banking world
- both have experienced the introduction of new technology, such as computerisation, in a comprehensive way.
- both are from non finance (money making) origins.

What is questionable is how representative they are of banks and working environments in Sweden and Britain? Will the findings be applicable to wider contexts in each of their national settings. It is hoped that the supportive

contextual research, the Price Waterhouse Cranfield Survey may provide evidence for this.

Research Methodology

The debate over methodologies has often been polarised into the quantitative/qualitative schools with their positivist and phenomenological roots. These use what are sometimes described as nomothetic and ideographic approaches i.e. deduction as opposed to induction, objectivism as opposed to subjectivism, highly structured as opposed to minimally structured research (Gill and Johnson, 1991:36).

The positivist tradition attempts to view the world from an objective stance in the tradition of the pure sciences. This assumes that the world exists as an external reality with universal laws discoverable via observable and measurable data. The objectivity of data is central to this approach and therefore the positivist researcher remains independent, tries to reduce phenomena to the simplest possible elements and the research proceeds through the formulation and testing of hypotheses (Easterby-Smith et al, 1991). There have been many critics of this tradition particularly its claims to 'objectivity.'

'Traced to their source all activities which pose as science can be traced to fundamental assumptions relating to everyday life and can in no way be regarded as generating knowledge with an 'objective,' value free status, as is sometimes claimed. What passes for scientific knowledge can be shown to be founded upon a set of unstated conventions, beliefs and assumptions, just as everyday commonsense knowledge is.'
(Burrell and Morgan, 1979:255).

The opponents of positivism subscribed to a variety of schools embracing phenomenology, ethnomethodology and symbolic interaction, but "they are united by their common rejection of the belief that human behaviour is governed by general laws and characterised by underlying regularities" (Cohen and Manion, 1989:27). This posits a subjective view of the world in which social reality is a construct of the impressions of the individual filtered through their value judgements, culture, personality and other predisposed factors.

'Anti-positivists would argue that an individual's behaviour can only be understood by the researcher sharing his frame of referenceSocial science is thus seen as a subjective rather than an objective

undertaking, as a means of dealing with the direct experience of people in specific contexts.' (Cohen and Manion, 1989:27).

The anti-positivist stance also had its critics and Giddens (1976:12) argues:

'no specific person can possess detailed knowledge of anything more than the particular sector of society in which he participates, so that there still remains the task of making into an explicit and comprehensive body of knowledge that which is only known in a partial way by lay actors themselves.'

Many researchers subscribe to a combination of these approaches in what is termed 'methodological pluralism.' "The assertion that there is no one best method but many methods contingent on the issue being studied regardless of epistemological biases" (Gill and Johnson, 1991:9).

The methodological processes adopted for this study have been very much in this spirit using a combination of research methods. The primary instruments used in the research were questionnaire surveys, in-depth interviews with a representative sample of employees, visits to the organisations, an examination of documentary evidence and organisational literature, as well the study of various secondary sources, relating directly and indirectly to the organisations. This process where a researcher uses two or more methods of data collection to test hypotheses is known as triangulation (Franfort-Nachmias and Nachmias, 1992:199).

In addition the quantitative evidence of the Price Waterhouse Cranfield survey was used as a backdrop to contextualise the in-depth case study evidence, as was the Anglo-Swedish survey with which the author was also involved at Cranfield. Each of these pieces of research and the author's involvement in them will be examined below.

Choice of Research Instruments

Often the choice of research instruments has constraints imposed by circumstances and resources: finance, a full-time job, limited time, family commitments and lack of knowledge of a language for example. One way of conducting the research would have been a participant observer or to use other ethnomethodological approaches. This was ruled out because it would be extremely time consuming, that there were insufficient resources to finance this approach, and there was insufficient time available due to the restraints

of the research deadlines. In Sweden there was the additional need to learn a whole language sufficiently well to enable comprehension of the processes under observation. Even had this been feasible it is still questionable whether a foreigner could fully understand, as well as a Swede that is, the import of all that was being observed.

Thus for these reasons a triangulation approach was adopted which, given the constraints and limitations of the instrumentation, would collectively give several perspectives on the subject under scrutiny. For example questionnaires were used to provide the 'skeleton' of the research, and an analysis of the questionnaires enabled appropriate questions to be devised for in-depth interviews which would put flesh on the skeleton. A reading of company documentation enabled wider understanding of the historical development of each company, and the visits themselves were useful in enabling the researcher to experience the environments within which the research subjects operated. Literature was also examined from several British and Swedish professional bodies associated with the banking industry.

Ethnicity

An enormous additional problem was that the research was conducted entirely in English (although the Swedes who answered the questionnaires in Sparbanken were given help with translation and interpretation if they could not speak English well). However, the majority of Swedes in the bank could speak fluent English and had learnt it at school from the age of 8 years. Nevertheless, there were some difficulties in the research process posed by language differences.

In order to eliminate misunderstandings due to language differences, questionnaires had to be piloted to test their suitability in both national settings. Even after this process there were difficulties with some questions in regard to complete understanding. This was due more to cultural misinterpretation than mistakes in direct translation. The in-depth interviews also had problems in that on a number of occasions the interviewer had to explain more fully the question asked and also spend time with some respondents ensuring that the interviewer had fully understood their responses. Fortunately, these instances were very much in the minority and the object is not to give a sense of hopeless incommunication but to point out to the reader that the process was not entirely smooth. This was to be expected given the problems we have already highlighted concerning comparative research.

In devising the instrumentation the ethnic bias of the researcher had to be acknowledged, wherever consciously possible. Hofstede (1984:287,288) in his research sees this as a major problem as well and at the end of one of his works describes his values, national background, social class and family roots, education and life experience in order that the reader has some understanding of the researcher and his possible subconscious influence on the research.

In order to be considered valid, Hofstede claims that information about a population should meet four criteria:

1. It should be descriptive and not judgemental (otherwise it contains more information about the value system of the informant than about the particular population).
2. It should be verifiable from more than one independent source (otherwise it reflects only one subjective perception).
3. It should apply, if not to all members of the population, at least to a statistical majority (otherwise it is a false generalisation).
4. It should discriminate, i.e., it should indicate those characteristics which apply to this population but not to others (otherwise it is trivial).'
(Hofstede, 1991:249)

The research methodology used in this survey has been guided by these criteria, and a profile of the author's background and views are provided in the appendix following the example of Hofstede stated above.

Questionnaires

One of the primary research methods used in the study was the questionnaire, but as an instrument of research it is recognised as having a number of limitations. It does not allow the researcher to engage in a dialogue with the respondent, although it provides a permanent record of responses. It is also dependent on the usefulness of what the researcher asks, which may not be the most appropriate questions (Oppenheim, 1966:32,33; Frankfort-Nachmias and Nachmias, 1992:216,217). There is also the problem of devising appropriate questions, so that the import and meaning of each question could be understood by both

nationalities. However, a questionnaire has the advantage of being able to reach all parts of the organisation and cover a wider population than, for example, in-depth interviews given the time consuming nature of the latter method.

Two questionnaires were used in the research which were piloted by personnel and senior managers in each organisation. Their comments were noted and where considered necessary, were used to modify the questionnaire. As this was to be a comparative study the desire was to retain as much similarity as possible between the questionnaires, but it became necessary to alter and eliminate some questions which were deemed either inappropriate for one organisation, or where phrasing would create more confusion than enlightenment for the respondent. For these reasons emphasis was placed on simplicity and clarity of questions, to ensure that the respondent had a clear understanding of its import and meaning.

Another important consideration was the sequencing of questions so that they led from one subject to another in a logical order. A conscious effort was made to provide a clear pathway through the questionnaire. For these reasons contingency and filter questions were not considered.

The first of the two questionnaires contained questions couched in nominal scales of the 'yes' 'no' variety, and open ended questions were kept to a minimum (three out of a total of 27 questions) for reasons of simplicity (see appendix). It was given to two different groups in the organisation, managers and non-managers. The managers, however, were to answer the questionnaire as though they were non-managers, in other words from the point of view of their employees. The difference in perception between managers and non-managers regarding degrees of employee involvement and participation in the organisation could then be measured, and the differences between the British and Swedish companies compared.

A concern of the researcher was that the respondents, particularly the managers, would not understand how they should answer the questionnaire, and so the instructions were emphasised on the questionnaire itself, and personnel managers who distributed the questionnaire in each organisation were asked to stress this point verbally to respondents. The result was that there were few questionnaires that could not be used although one or two respondents chose not to answer some of the questions. This happened in only a small minority of cases.

The second questionnaire was directed at non-managers only and probed their views and attitudes towards involvement in the organisation. Again simplicity and ease of understanding were the prime considerations in composing the questionnaire. Tick box questions based on Likert or ordinal scales were primarily used, in which the respondent was asked to choose a single response from a range of variables from low to high feelings of participation. Apart from biodata questions at the beginning, the questionnaire was divided into three sections: three questions asking respondents for their perceived desire for participation, 15 questions concerning perceived participation on various company issues and 4 questions concerning awareness of certain types of company information (see appendix).

Statistical Analysis

All questions were coded for statistical analysis using the SPSS computer package, from which frequency data was produced. Chi-square and ANOVA tests were carried out to determine significance in cross tabulations (mainly for Likert scale questions) and for relationships between variables (dependent and independent) of the nominal scale questions.

The Survey Population

Sampling and Response Rates

In discussions with the liaising managers in each bank helping with the research it was felt unnecessary to furnish all parts of the organisations with questionnaires as this would be both time consuming and more difficult to coordinate. It was decided to dispatch questionnaires to a representative number of centres to provide a spread both geographically and by business centre activity. It was also decided not to send questionnaires to all employees but to choose samples from across the organisation which were representative in terms of sex, age, service and position. A meeting took place in each organisation to discuss distribution to potential respondents and other practical considerations such as coordination and collection of the questionnaires and questions of anonymity and confidentiality. The personnel managers in both banks were fully cooperative in carrying out these functions.

The questionnaires were sent to each organisation in October, 1992 and the bulk of returns were made by January, 1993. The Cooperative Bank personnel department sent out a

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total 350 questionnaires (300 questionnaires to non-managers and 50 to managers) to the following centres: Branches in Manchester, City (Cornhill, London), Guernsey; processing centres in London, Nottingham, Cardiff and Newcastle; central support functions in Skelmersdale and Salford; armchair banking, Skelmersdale and one subsidiary company Unity Trust Bank, Birmingham - a total of 14 centres.

Sparbanken sent out a total of 230 questionnaires ((100 non-management questionnaire one, 100 non-management questionnaire two and 30 management questionnaire two) to various departments at the Uppsala headquarters (commercial, information technology, personnel, front desk, loans and investments) and 10 branches in the Uppland area, a total of 16 centres.

A total of 337 questionnaires were returned from both organisations which broke down as follows:

Table 6.1

Questionnaire One (Non-management only)

	Sparbanken	Coop Bank
Female	35 (61%)	63 (65%)
Male	21 (37%)	32 (33%)
Missing	1 (2%)	2 (2%)
Total	57	97

Questionnaire Two (Managers and Non-managers)

	Sparbanken	Coop Bank
Non-Mangmt	53 (79%)	89 (77%)
Management	14 (21%)	27 (23%)
Total	67	116

Total Sparbanken questionnaires = 124
 Total Coop Bank questionnaires = 213
Total = 337

The returns for Sparbanken were 124 questionnaires out of a total of 230 sent out, giving a response rate of 54%.

The returns for the Cooperative Bank were 213 questionnaires out of a total of 350 sent out, giving a response rate of 61%.

From this information a bivariate analysis was carried out between the two national groups. A total of 57 non-managers in Sparbanken and 97 non-managers in the Coop Bank completed

the first questionnaire, and 53 non-managers and 14 managers in Sparbanken, and 89 non-managers and 27 managers in the Coop Bank completed the second questionnaire (Table 6.1). The two questionnaires were therefore answered by a similar number, with many of the same respondents answering both questionnaires.

Of these the male/female ratio was fairly similar being approximately one third male and two thirds female in each cohort (Table 6.1), a suitable outcome in that it facilitated an equitable comparative analysis between the two national cohorts. In addition it was noticeable that the ratio of men to women in management and non-management positions were inversely proportionate, with men predominant in managerial roles. However, Sparbanken had more women managers than the survey sample suggests, and while the percentage sample of women managers is higher than the Coop Bank it should have been slightly higher if it was to be truly representative.

Age Distribution

The age groupings of the two cohorts were generally similar in that the largest proportion of employees in any one age section was in the under 30s grouping, and the lowest in the two groupings of 51 years and above (Table 6.2). However, there were some differences most noticeably that the British cohort contained 11 per cent of its respondents below 20 years of age, whereas Swedish had none. This also reflects the fact that the British cohort had far more respondents recruited to only school level standards (British 92%, as opposed to Swedish 63%), and the Swedish cohort a higher percentage at college level 68%, as opposed to the British 36% (Table 6.4). Another significant difference was that the Swedish cohort had a higher percentage between 31 and 50 years of age (50%) and the British a lower percentage (35%) and falling dramatically in the 41 to 50 age group, thus indicating that the Swedish workforce was on average older than the British. A statistical comparison revealed that chi square was significant at $p = 0.05$ level.

Table 6.2: Age Grouping of Cohorts
Questionnaire One

	Sparbanken		Coop	
	Nos.	%	Nos.	%
Up to 20 years	0	0	10	11
21 to 30 years	26	46	45	51
31 to 40 years	14	25	21	24
41 to 50 years	14	25	10	11
51 to 60 years	3	5	3	3
60 plus years	0	0	0	0

(chi square: $p = 0.024$)

Questionnaire Two

	Sparbanken		Coop	
	N-M	M	N-M	M
Up to 20 yrs	0	0	6 (7%)	0
21 to 30 yrs	25 (47%)	2 (14%)	49 (55%)	4 (15%)
31 to 40 yrs	10 (19%)	2 (14%)	20 (23%)	11 (41%)
41 to 50 yrs	10 (19%)	7 (50%)	10 (11%)	12 (44%)
51 to 60 yrs	6 (11%)	2 (14%)	4 (5%)	0
60+ yrs	0 (0%)	1 (7%)	0	0
Missing	2 (4%)	0 (0%)	0	0

Length of Service

Similarities are also marked between the cohorts in terms of length of service with their respective organisations. The Swedish cohort, however, tended to have longer service in percentage terms than the British with 34% of the Swedish cohort having 10 years or more with the bank, and the British cohort having 26% in the same category. The British cohort showed higher numbers of employees with less than a year's service (10%, see Table 6.3) compared to the Swedish with only 2%. While differences exist they are not marked, although the Swedish sample has more longer serving non-management employees than the British. The small difference is somewhat surprising given the generally held belief that lifetime employment and long service with one organisation is more common in Sweden than in Britain (Ramsey, 1992:37,38; Brewster et al., 1993:111). This may be partly explained by the fact that the Cooperative Bank until recently had a considerable number of long serving employees, the service culture up until recently being similar to that of public sector organisations (Everett, 1992, 1993). In addition the changes in personnel in recent years have been much more marked in both organisations than over the previous 20 years (Everett, 1992, 1993; Tidlund, 1992, 1993).

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Table 6.3: Length of Service with the Company:

Questionnaire One

	Sparbanken		Coop	
	Nos.	%	Nos.	%
Less than 6 months	1	2	6	7
6 months to 1 year	0	0	3	3
1 to 2 years	5	9	6	7
2 to 5 years	23	40	29	33
5 to 10 years	9	16	22	25
10 to 20 years	14	25	16	18
Above 20 years	5	9	7	8

Questionnaire Two

	Sparbanken		Coop	
	N-M	M	N-M	M
Less 6 months	1 (2%)	0	5 (6%)	0 (0%)
½ yr to 1 yr	0	0	3 (3%)	1 (4%)
1 to 2 years	5 (9%)	0	3 (3%)	1 (4%)
2 to 5 years	20 (38%)	2 (14%)	21 (24%)	2 (7%)
5 to 10 yrs	8 (15%)	3 (21%)	35 (39%)	4 (15%)
10 to 20 yrs	12 (23%)	2 (14%)	17 (19%)	15 (56%)
20 years +	5 (9%)	7 (50%)	5 (6%)	4 (15%)
Missing	2 (4%)	0	0	0

(Chi square N-M only $p = .02203$)

Educational Qualifications

The most marked contrast between the two cohorts was in educational qualifications. Swedish employees tended to have higher levels of qualifications than their British counterparts (Table 6.4). As we have already noted a considerable proportion of the British cohort had only reached school levels of education, and far higher number of Swedes had attended college (68%) than the British (36%). The strongest contrast was in university qualifications where only 2% of the British cohort had reached this level as opposed to 37% of the Swedes; a 35% difference. There were similarities only at technical and post graduate levels where the numbers were low or non-existent for both cohorts. This clearly indicates the higher level of education of the Swedish workforce.

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Table 6.4: Levels of Educational Qualifications: Questionnaire One

	Sparbanken		Coop	
	Nos.	%	Nos.	%
A. School	36	63	82	92
B. College	39	68	32	36
C. Technical	2	4	4	5
D. Professional	4	7	15	17
E. University	21	37	2	2
F. Post-grad degree	0	0	0	0
Other	0	0	0	0

Questionnaire Two

	Sparbanken		Coop	
	N-M	M	N-M	M
School	31 (59%)	5 (36%)	81 (91%)	24 (89%)
College	34 (64%)	8 (57%)	36 (40%)	9 (33%)
Technical	2 (4%)	0	7 (8%)	1 (4%)
Professional	7 (13%)	2 (14%)	18 (20%)	18 (67%)
University	18 (34%)	3 (21%)	1 (1%)	5 (19%)
Post-grad deg.	0	1 (7%)	0 (0%)	2 (7%)

Training Courses

Analysis becomes less straightforward in attempting comparisons between the two cohort's frequency of training. Firstly, there is no indication of the length or quality of the courses. Secondly, the terminology of course titles differs although parts of the contents of courses have similarities. For example 'Competence skills' have different meanings in Sweden and Britain. In Sweden the word 'competence' is conceived in a much wider context in the training and development literature than it has been until recently in Britain and in other countries (Forsberg Söderström, 1991). The titles 'communication skills', 'interpersonal skills', 'group skills' are too wide in their subject areas to be meaningful, and 'effective selling', 'TQM' and 'Ethical Policy' apply to the Coop Bank only. The information therefore can only tell us whether respondents have been on a course and how recently.

The most striking feature of this set of comparative data is that larger percentages of respondents have not had training at the Coop than at Sparbanken, although in some cases the difference is small. However, a crucial area of training in banking in the late 1980s and 1990s was in the "use of new technology" which has led to large scale restructuring of organisations including delayering of middle management levels and the redefining of jobs. Knowledge of new technological processes has therefore become a crucial issue

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in banking organisations (Jones, 1980; Bertrand and Noyelle, 1988; Rajan, 1987, 1988; Smith, 1990;). The contrast is particularly marked here with only 23% of the Swedish cohort not having received training in new technology, whereas 72% of the British cohort had not received this type of crucial training. Employees in the Coop Bank complained about the lack of training in this area, and how it had an adverse effect on participation and other workplace practices. This will be examined in more detail below.

Even in areas where the Coop Bank had specialist training programmes, such as 'effective selling' and 'ethical policy,' there were still sizeable proportions of the workforce which had not received training. More positively for our study on employee involvement 82% of the Coop Bank workforce have received training in TQM in the past 5 years, and 67% within the past 2 years. Neither bank, however, had given much training in areas directly associated with E.I. techniques such as 'communication skills', 'inter-personal skills' and 'groups skills,' skills which are important in the effective operation of E.I. measures. Heller (1992:153) has noted a strong correlation between employee competency and the ability of employees to participate. He claims that where managers "perceive competence, they practice participation; where they perceive little competence they use authoritarian methods" (Heller, 1991:266)

Table 6.5
Training course attended (percentages)
Questionnaire One

		None	In the last 6 months	In the last year	In the last 2 years	In the last 5 years
Comm skills	(Spar)	51	11	9	12	18
	(Coop)	61	6	13	10	9
Inter-pers skills	(Spar)	76	7	5	5	7
	(Coop)	80	5	6	4	4
Group skills	(Spar)	77	5	9	4	5
	(Coop)	78	6	6	4	5
Competence skills	(Spar)	35	32	19	7	7
	(Coop)	87	2	4	2	5
New technology	(Spar)	23	42	16	11	9
	(Coop)	71	17	6	6	0
Effective selling	(Spar)	N/A				
	(Coop)	64	11	9	7	8

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T.Q.M.	(Spar)	N/A					
	(Coop)	19	1	17		58	6
Ethical	(Spar)	N/A					
policy	(Coop)	54	19	22		6	0
Other	(Spar)	72	5	5		11	7
	(Coop)	80	8	6		4	1

Questionnaire Two

		In last 6 months		In last year		In last 2 years		last 5 yrs		None	
		N-M	M	N-M	M	N-M	M	N-M	M	N-M	M
Comm	(Spar)	50	11	14	8	0	11	14	17	21	53
skills	(Coop)	7	37	6	4	8	4	15	22	65	33
Int-per	(Spar)	14	6	28	8	14	6	21	8	21	73
skills	(Coop)	5	30	3	11	6	0	8	37	79	22
Group	(Spar)	21	8	14	8	21	4	21	6	21	76
skills	(Coop)	9	7	3	11	5	11	7	26	76	44
Competce	(Spar)	21	26	43	17	21	4	14	9	0	43
skills	(Coop)	0	7	3	4	3	15	7	15	87	59
Use of	(Spar)	50	42	21	15	7	11	0	9	21	23
Tech.	(Coop)	11	0	3	7	8	7	2	15	75	70
Effective	(Spar)	N/A									
selling	(Coop)	7	7	8	7	8	4	14	22	64	59
TQM	(Coop only)	1	4	10	15	65	52	9	19	15	11
Ethical	(Spar)	N/A									
policy	(Coop)	16	19	19	37	3	0	0	0	62	44
Other	(Spar)	0	2	0	1	0	3	0	1	100	93
courses	(Coop)	10	19	4	7	4	4	2	19	80	51

N-M = Non-management, M = Management.

Grades of Cohorts

What was most apparent in examining the grading structures of the two companies was that the Coop Bank was much more hierarchical having 15 different grades which stretched from junior clerk level to senior management. Sparbanken on the other hand had only one level of bank clerk but with title attached for different functions (eg technical, cashier) or

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different departments (eg commercial loans, personal loans). Sparbanken, of course, had many fewer employees than the Coop Bank, and at the time of the research the Coop Bank management was attempting to reduce the number of grades in a lengthy delayering and restructuring exercise.

Table 6.6
Grades of Respondents Questionnaire 2

	<u>Coop Bank</u>		<u>Sparbanken</u>	
	<u>N-M</u>	<u>M</u>		
Grade 1/2	2	0		
Grade 3	10	0		
Grade 4	18	0		
Grade 5	14	0		
Grade 6	14	0		
Grade 7	8	1		
Grade 8	3	1		
Grade 9	7	2	Managers	14
Grade 10	2	2	Assist. Mgr/Supervisor	7
Grade 11	0	4	Secretary	1
Grade 12	0	6	Marketing	2
Grade 13	0	3	Personnel Assistants	5
Grade 14	0	1	Clerks	35
Grade 15	0	1	Missing Management	1
Missing	11	6	Missing Non-Management	2
Total	89	27 (116)	Total	67

N-M = Non-Management, M=Management.

NB 1: Grades 7 to 10 in the Coop Bank overlap in the management and non-management positions as these are supervisory or assistant management functions.

NB 2: Questionnaire 1 was not included in the above table as it involves non-management staff only which are similar in range to those shown in Questionnaire 2.

The Prime Characteristics of the Cohorts: A Summary

The data elicited from the questionnaires has allowed us to discern the major characteristics of the two groups. In many ways they are remarkably similar, but while being representative of the staff profile of each organisation, there were important differences. The Swedish cohort tended to be older, have longer service (though not excessively so), were educated to a higher level and generally received more training, particularly in new technology. The Coop Bank was more hierarchical in structure with many more grade levels, indicating a longer chain of vertical communication

for the purposes of information dissemination and employee feedback.

In-Depth Interviews

A number of in-depth interviews were carried out in each organisation to probe more deeply the attitudes and feelings of a representative sample of managers and non-managers. One advantage of the interview over the questionnaire is its flexibility. The interviewer can make sure the respondent has understood the question and the purpose of the research. Interviewers can explore more deeply when certain responses are encountered. "Above all, they can build up and maintain rapport, that elusive motivating force that will keep the respondent interested and responsive to the end of the interview" (Oppenheim, 1966:31). The dangers flow equally from these advantages. In establishing rapport, deviating on to new subjects of tangential interest, re-phrasing and reinterpreting questions the interview situation is fraught with possibilities of bias. Apart from these considerations there is body language, tone of voice, appearance, interruption, pauses, enthusiastic or unenthusiastic reactions to responses to consider (Oppenheim, 1966:31). Bearing in mind these considerations the interviews were conducted in as neutral a way as was consciously possible for the researcher, but inevitably six hour sessions of interviews conducted over a number of days will cause concentration to lapse from time to time.

The in-depth interviews were all conducted in English and while this obviously presented more problems for some of the Swedish bank interviewees than the English, the nature of the methodology allowed for greater opportunities for explanation and interpretation, in terms of, for example, re-phrasing questions to facilitate greater understanding.

To help interviewees as much as possible towards greater comprehension of the questions a sheet with twenty questions containing ten supplementary questions were sent out one month in advance to both organisations so that the interviewees could contemplate their replies and seek advice if necessary (copy available in the appendix). Many of the Swedish respondents carried outline answers which they had prepared in advance, which they referred to from time to time. Only one Swedish interviewee actually read answers from a prepared sheet. Facility with English amongst the Swedish interviewees ranged from complete fluency, where it was difficult to distinguish whether the person was not English, to one person who, while having prepared answers found considerable difficulty with English syntax and

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grammar. Most of the interviewees were sufficiently good at English to be able to conduct excellent conversations and to be able to elaborate on subjects and ideas on request. We were assured that language ability was not therefore a selection criteria. Indeed some were more responsive and fluent than some of the English interviewees!

Twenty five interviews were conducted of which 24 were employees of the banks and one was the full time area representative of BIFU, the British banking union. Each interview was taped and transcribed to enable the researcher to check thoroughly the answers of interviewees. The tapes have been kept as these provide evidence of intonation and verbal emphasis which are not necessarily clear in the transcripts. The interviews for each organisation were as follows:

Table 6.7

<u>Sparbanken</u>		<u>Cooperative Bank</u>	
Managers	4	Managers	3
Non-managers	5	Non-managers (supervisors)	3
SBmf Union rep.	1	Non-managers	7
		BIFU shop steward	1
		BIFU Full Time Area Rep.	1
Total	10	Total	15

(BIFU = Banking, Insurance and Finance Union; SBmf= Svenska Bankmannaförbundet (The Swedish Bank Employees Union) now called Finansförbundet (The Finance Union)).

Each interview lasted between one and a half and two hours. They were conducted over two days in Sparbanken and two days in the Cooperative Bank. The Sparbanken interviews took place on the 15th and 16th February 1993 at Sparbanken headquarters in Uppsala, and the Cooperative Bank interviews on the 26th August and the 2nd September 1993 at Montford House, Salford and the Manchester headquarters respectively. The BIFU representative, the SBmf union representative and the two personnel managers of each bank were interviewed on separate occasions, the personnel managers having two formal interviews and another two separate meetings to discuss the practicalities of the research project.

Organisational Visits

Part and parcel of the research process were a number of visits to each organisation not only to conduct in-depth interviews but to talk to the liaising managers helping to

coordinate the research. Five visits in total were made to the Cooperative Bank and three to Sparbanken during which time we were shown round each organisation and given an opportunity to observe some of the activity of the day to day business. This was invaluable in helping the researcher gain a 'feel' for, and understanding of, the day to day work process.

It would have been better had we had been able to stay longer in each organisation although it is of no surprise that given the relative ease of geographical distance, more visits were paid to the British organisation than the Swedish. One considerable restriction on the research process was limited resources in terms of finance and time, as the survey project was conducted on a part-time basis. Travel to Sweden is expensive and this meant that the research had to be carried out when the researcher could have fares and other expenses payed by institutions willing to fund him or when travelling for other reasons such as giving a paper at a conference in Uppsala University.

Organisational Literature

As we have already noted above, a reading of company documentation enabled wider understanding of the historical development of each company. Much information was gained from annual company reports, internal communications (news sheets, briefings etc), marketing literature and various other pamphlets and leaflets. While limitations in knowledge of Swedish could have restricted the research, our Swedish hosts at Sparbanken were more than ready to help with translation of the literature, although most of the company reports and some of the marketing literature, particularly for the Swedbank operation were in English.

Contingent Literature

Literature was also examined from several British and Swedish professional bodies associated with the banking industry. This in some ways was of even greater value than the company literature, as it was freed from the 'natural' bias which would tend to pervade promotional and other company literature written particularly for external consumption.

Newspapers, pamphlets and reports were gained from the British Banking and Finance Union (BIFU), the Swedish bank employees union (formerly SBmf, now Finansförbundet) and the Swedish Bankers' Association. Often these reports gave a

more 'hard hitting' view of developments than the company reports which would tend to anodise and euphemise.

The Cranfield Research Projects

The Price Waterhouse Cranfield Project on International Strategic Human Resource Management and the Anglo-Swedish Project were two pieces of research with which the author was engaged from 1989 at Cranfield School of Management and which helped form the basis of this doctoral research. Information gained from these projects has helped inform this research and act as a catalyst for the research process.

The Price Waterhouse Cranfield Project was a large scale piece of research. The author was one of a research team which undertook an examination of HRM practices in five countries (France, Germany, Spain, Sweden and U.K) in 1989-90 and ten countries (the original five plus Denmark, Italy, the Netherlands, Norway and Switzerland) in 1990-91. Another four countries were added in 1992 (Finland, Ireland, Portugal and Turkey) although Italy and Switzerland did not participate in the 1992 survey.

The Price Waterhouse Cranfield Survey on International Strategic Human Resource Management was, as its name suggests, jointly funded by Price Waterhouse (Management Consultants) and Cranfield School of Management, with Cranfield conducting the research. The initial five countries involved in the project contained the two countries primarily involved in this doctoral research, UK and Sweden, and have appeared in all subsequent surveys thus providing a longitudinal research context. In this spirit we have also indicated below (Table 6.9) the original five countries over three phases of the research to give some understanding of the comparative response rates of the Sweden and UK compared with the other three original countries.

Responses

Over 15,000 usable responses were received from the three surveys:

Table 6.8
Three Year Survey Response Rate

Year	Sample	Returns	Response Rate(%)	Usable Responses
1989-90	25,200	5,682	22	5,098
1990-91	32,000	5,511	17	5,449
1992	33,100	5,507	17	4,684
Total	90,500	16,700	18	15,231

Source: Brewster et al, 1994:238

Of the five countries used in this work the national response rate and responses in the banking and finance sector were as follows:

Table 6.9
Response Rate Original Five Survey Countries

Country	1989	1990	1992
United Kingdom	2,542	1,503	1,243
Bank & Fin	255	173	126
Sweden	330	295	322
Bank & Fin	33	22	24
France	1,357	988	651
Bank & Fin	145	82	63
Germany (West)	502	933	884
Bank & Fin	63	91	107
Spain	367	297	265
Bank & Fin	48	41	50

Source: Brewster et al, 1994:239. The Banking and Finance Sector Statistics were drawn directly from the Survey data.

These statistics indicate that the findings are predicated on a sufficiently large sample of the banking and finance sectors for each of the five countries, including the UK and Sweden, the two countries with which this study is primarily concerned.

Problems of the Survey Methodology

The methodology of the survey confronted the research team with many problems and as such the results have to be

handled with care. For example, creating a questionnaire which would be completely compatible in all national employment settings posed enormous difficulties. Meanings of words change in context and in translation. For example in France three general staff categories are used: "Cadres, referring to managers and some professional employees, ETAM who are administrative, technical and advisory staff and ouvriers or operatives. These are not only the customary definitions but are also defined in law. There is little point therefore in trying to force French personnel managers into the customary British fourfold division of: 'management'; 'professional/technical'; 'clerical,' and 'manual'" (Brewster, Hegewisch, Lockhart, 1991). Meanings of work typologies alluded to earlier in this chapter also presented problems of interpretation. Another restricting factor was that the survey only dealt with organisations in European countries, although a number were owned by American, Japanese and other non-European based companies.

The survey questionnaire was also directed at personnel managers and therefore, responses could well be flavoured by their interests and bias. The survey gives credence to the views of Guest (1990), Poole (1990), Brewster and Bournois (1991) and others that HRM trends in Europe must be contextualised against many different working practices (both internal and external to organisations) resting on different legal requirements and national assumptions, which contrast strongly to American HRM where many of the HRM concepts originated.

The research was conducted by postal questionnaire which was piloted, translated and back translated and dispatched to organisations from academic centres across Europe to organisations in each participant country.

The author who was a researcher for the project, was engaged in the project from its inception and helped in the compilation and testing of the questionnaire, as well as liaising with the academic centres particularly those in Scandinavia. While the questionnaire attempted to cover all major aspects of HRM it was felt necessary for members of the research team to specialise in analysing parts of the questionnaire from a specialist basis and the author took an interest in the training and the employee relations sections of the questionnaire, which contained questions dealing with employee communication and involvement. It was from this interest in analysing the latter section that the idea for the research doctorate sprang.

While the project was of enormous value in building up a comparative research data base, the research team were

conscious of the need for more detailed studies to verify and investigate further some of the questions raised by the statistical evidence. Contacts built up in administering the project in Scandinavia, particularly Sweden, also helped in gaining access to an organisation to conduct an in-depth case study.

The Anglo Swedish Project

The Anglo-Swedish Project was another research project with which the author was concurrently involved (together with Professor Chris Brewster and Dr. Annika Lundmark) and was carried out in cooperation with Uppsala University in Sweden. This project was set up primarily to investigate experiences of expatriate managers in Sweden and Britain. The research methodology entailed sending questionnaires to British expatriate managers in Sweden and Swedish expatriate managers in Britain and comparing responses by using a process of factor analysis and cross tabulations verified by a chi square statistical test, processed through an SPSS computer package. In-depth interviews were also conducted with selected British and Swedish expatriate managers. The study also examined employee involvement in a cross cultural setting.

A number of publications involving the author were generated by these two projects and are cited in the reference sections of each chapter and the bibliography at the end of the work. The relevant findings of these two works will be used to contextualise and emphasise the in-depth research with which this work is primarily concerned.

Summary

In this chapter we examined the problems confronting the international researcher at both macro and micro levels. A review of various methodologies was undertaken and the use of triangulatory method was justified, including a discussion of qualitative research in the form of in-depth interviews and literature reviews. An analysis of the characteristics of the case study survey population was also undertaken. In addition contextual quantitative research was discussed in the form of the Price Waterhouse Cranfield Survey. The response rate of the survey revealed its wide representativeness of the European HRM context but the problems of the survey were also acknowledged. In the next chapter we shall present the findings from the research followed by a discussion of its implications.

Chapter 7

Employee Involvement in Britain and Sweden: An Analysis of the Findings of the Price Waterhouse Cranfield Project and the Case Studies Banks

Introduction

In this chapter we shall undertake an examination of the findings contextualising the case study data against the national evidence for Sweden and Britain produced by the Price Waterhouse Cranfield Survey (PWC). The PWC evidence will give an indication of the representativeness of the case study data, signify whether the in-depth findings echo general trends in employee participation and help us confirm and deny our original hypotheses. The case study data will provide in-depth knowledge enabling us to explore employees attitudes to employee involvement measures in finer detail, and again provide confirmation of our hypotheses. This chapter, however, will only be concerned with the immediate ramifications of an analysis of our data, and the concluding chapter will attempt to analyse the wider and more theoretical picture.

Trade Unions Density in the Banking And Finance Sector

One of the traditional methods by which employees have sought to gain representation for their views is through trade unions. The density of trade union membership varies quite widely between the PWC survey countries and also between Sweden and the UK.

Official figures show union density in Sweden is the highest of the ten survey countries standing at 85% for all sectors, and approximately 35% for UK (OECD, 1993). The findings of PWC data do not differ from these official figures significantly, although the data is presented in four categories of density as indicated in Table 7.1.

Table 7.1

Trade Union Density Sweden and UK 1989-1990; 1990-1991; 1992
(Valid %)

Density	1989-90				1990-91				1992			
	S	B&F	UK	B&F	S	B&F	UK	B&F	S	B&F	UK	B&F
0%	0	0	18	55	0	4	16	52	0	0	16	51
1-25%	1	3	22	18	0	4	20	19	1	0	22	16
26-50%	4	6	19	13	3	4	18	11	4	13	20	14
51-75%	13	21	24	10	10	18	24	12	10	13	23	9
76%+	83	70	15	3	85	70	18	4	85	75	15	2
Na/M	0	0	2	1	1	0	3	2	0	0	4	6

S=Sweden; UK=United Kingdom; B&F = Banking and Finance Sector

Na/M = Not Answered/ Missing.

If we examine the banking and finance sector of each country we find that in the 1989 survey there is less union density in this sector compared to all sectors combined. UK has very low union density in banking and finance compared to the UK national trend. Sweden on the other hand, while having less union density in the banking and finance sector, still has relatively high levels at 70% of organisations having union densities of between 76 to 100 per cent, compared with other countries. A similar picture emerges in the 1990/91 and 1992 data.

United Kingdom

A comparison of the national trends with the banking and finance sector of Sweden and the UK shows less unionisation than their national average, and much less in the case of the UK. The 1989/90 data indicates that in the UK 18% of organisations had no unions but the figure rose significantly to 55% for the banking and finance sector. Conversely, 15% of organisations had 76% + unionisation with only 3% for the banking and finance sector. This trend is repeated in the 1990/91 and 1992 surveys. The unions as a means of employee representation in the UK banking and finance sector are obviously comparatively limited when compared with other sectors. This is in stark contrast to the union membership figures of the Cooperative Bank which stood at over 80% in 1992 (Everett, 1993) and is therefore not representative of the banking and finance sector as whole in the UK.

However, with the onset of the banking crisis and recession in 1991 a PWC Survey panel member and Human Resource Director of a prominent bank stated that unionisation had increased mainly due to staff fears of redundancy (PWC Panel Report, 1991). In such an atmosphere the unions can provide some form of resistance and also representation, legally or

otherwise if staff are threatened with redundancy. Indeed the PWC Survey data for 1990/91 shows a slight increase in unionisation in the banking and finance sector with a slight rise in both the 51-75% category and the 76%+ unionisation category, and a subsequent drop in the percentage number of organisations not having union representation, but by 1992 these small changes had been reversed giving an indication that while membership may rise in time of threats to jobs and conditions the overall reduction in numbers working in the banking and finance sector must affect union membership and thus union influence adversely as we shall see below. Both Shelagh Everett, Employee Relations Manager of the Cooperative Bank and Keith Brookes, the Northern area organiser for BIFU attest that while union membership within the Coop Bank remained comparatively high there had been some slippage, and younger staff were less likely to join (Everett, 1993; Brookes, 1994). Brookes was particularly concerned about this trend, given the labour movement background of the Cooperative Bank.

Sweden

In Sweden where unionisation is very high even the banking and finance sector showed a similar trend to the UK with less union density than in the nation as a whole. At the 76%+ level of unionisation their national figure was 83% in 1989/90 and 85% in 1990/91 while the banking and finance sector registered 70% in both survey years. Despite the differences unionisation remains very high in banking and finance compared to the UK. Sparbanken with a union membership of over 90% is thus higher than the sector as a whole.

However, since the 'collapse' of the 'Swedish Model' of industrial relations in 1990 there has been some decline in union membership and influence. A repeat of the survey in 1992 revealed that trade union influence had declined in Sweden between 1989 and 1992 (Brewster et al, 1994:Appendix 3, Table 6.3), a factor we will examine more closely below.

Trade Union Influence

If our hypothesis holds true that adverse economic conditions will reduce the power of employee representative bodies, the PWC data should reveal some decline in influence of trade unionism and similar bodies in time of recession, particularly in the banking and finance sector which, in addition, experienced the considerable turbulence of the banking crisis. While the UK data clearly indicates a considerable decline of influence, the Swedish data does not apparently parallel this trend and this is partly due to the

fact that the recession took a considerable time to percolate through, reaching a nadir in 1993, one year beyond the 1992 survey. The British decline in union influence, as we noted in chapter 4, began in the 1980s affected by restrictive legislation followed by significant defeats of the miners and printworkers and a decline in the traditionally unionised 'smokestack' industries. Thus the decline in union influence was well underway in the UK before the advent of the recession.

The Swedish trade unions on the other hand were in a very strong position up to the time of recession in 1991 and only gradually felt the increased negative impact over the following two and half years.

This confirms the view of Brewster et al, (1994:166) that the trade union data (and indeed the other communication data) is more likely to differ due to national differences rather than sectoral or organisational size difference. This is confirmed by the Lambda statistical tests which indicate 31% significance in correlation between country and trade union data for the banking and finance sectors.

In the 1989 survey the UK showed a significant decline in trade union influence as perceived by personnel managers. 49% of organisations in the UK registered a decline in trade union influence, while only a 6% increase in influence was registered (Table 7.2). Although trade union influence in the banking and finance sector in the UK did not decline as steeply as the UK national figures, 13% compared with 49%; when the low union density is taken into account, it is still a considerable decline of union influence in this sector.

Table 7.2
Changes in Trade Union Influence in Sweden and UK in the
Banking and Finance Sectors (Valid %)

	1989/90				1990/91				1992			
	S	B&F	UK	B&F	S	B&F	UK	B&F	S	B&F	UK	B&F
Inc	25	21	6	1	20	27	4	1	11	4	4	0
Dec	10	0	49	13	21	32	52	17	29	25	54	48
Same	66	26	45	20	59	36	44	23	61	71	42	52
Miss		0		66		5		59		0		74
Diff+15		+21	-43	-12	-1	-5	-48	-16	-18	-21	-50	-48

S=Sweden; UK=United Kingdom; B&F = Banking and Finance Sector; Inc = Increase; Dec = Decreased; Miss = Missing.
Diff. = Difference between increases and decreases.

In Sweden trade union influence increased more than it decreased in the 1989 survey; however, the effects of the recession are clearly being felt by 1991 when the figures show decreases being significantly greater than increases in influence and in 1992 the difference is particularly marked showing a difference of 18% between the increase and decrease figures (Tables 7.2).

A pattern can be discerned of gradual declining influence of trade unions over the period. As we have already noted this trend had begun in the UK in the 1980s due to circumstances other than recession, but Sweden clearly shows the impact of recession with the difference between increases and decreases in trade union influence moving from a plus 15 position in 1989 to a minus 18 position in 1992. Had the survey been conducted in 1993 it is more than probable that this negative influence effect would continue for both countries.

The 1989/90 data (Table 7.2) indicates that in Sweden trade union influence showed a slight increase in the banking and finance sector, with no concomitant decline. In the UK trade unionism in the banking and finance sector shows less extremes in comparison to trade union influence in the survey sample as a whole. By the following year's survey (1990/91) the economic maelstrom about to affect the Swedish banking and finance sector was beginning to manifest itself. There are greater increases in trade union influence in banking and finance than in the economy as a whole, with concurrent increases in the decline of trade union influence in the sector. Clearly this reflects the concern which employees feel about impending redundancies and the desire for unions to protect their interests. However, the greater decline in trade union influence gives a difference of minus 5 indicating that personnel managers register a declining influence of trade unions overall. In a highly unionised country like Sweden this is a worrying development for trade unions, but in the UK where trade union density is not as high as in Sweden, and relatively low in the banking and finance sector, the impact is initially not so great.

Communication Changes in Organisations

The responses from the three PWC surveys conducted to date indicate very strongly that employers have given great emphasis to increased direct communication to the workforce. Brewster et al. (1994:158) suggest that this is one of the "most striking findings" of the employee relations section of the survey. This falls in line with trends in the 1980s which indicate increases in the use of mechanisms to enable

the direct messages from management to reach all parts of the organisation (Mackay and Torrington, 1986; Millward and Stevens, 1986; CBI, 1989). The data would suggest that this is a European wide trend. As we have noted in earlier chapters this may be for motivational reasons or even to undermine more traditional communication channels, for example, via the unions.

However, there are sharp differences between the increases in verbal and written forms of communication and those via representative staff bodies. Increases in communication via representative staff bodies are lower than increases in verbal and written communication in both countries, and are particularly marked in the UK, where we have already noted a considerable decline in trade union influence (Table 7.2). The evidence of the banking and finance sector suggests even lower increases in the use of representative staff bodies in the UK, as opposed to written and verbal communication. The other four countries, including Sweden, show little differences between the banking and finance communication data and responses of the population as a whole. This would seem to suggest a reluctance by employers to use communication channels over which they did not have total control, particularly in the UK, and it is significant that considerable increases have taken place in communications from management to the workforce, i.e. top down, and forms which allow bottom up responses are notably less popular.

Messages via employee representative bodies such as trade unions, works councils and joint consultative committees allow two way communication between employers and employees and their representatives, whereas direct verbal channels, such as team briefings may not necessarily allow satisfactory employee feedback and certainly not to a strategic level.

The most marked increases in the banking and finance sector are in written communications and such formal channels as company news sheets (in the form of journals and newspapers etc), letters, memos and reports usually retain editorial control in the hands of management. Nevertheless, we must not lose sight of the fact that the surveys indicate an overall increase in all forms of communication. Our case study data also confirms that during the 1980s and early 1990s there was a conscious effort on behalf of management to increase direct communications with the workforce both in Sparbanken and the Coop Bank, and here we note our case studies are in line with national trends in each country.

Table 7.3

Increases in Methods of How Employers Communicate Major Issues to Employees (Valid %)

Through Representative Staff Bodies

	UK	B&F	S	B&F					
1989/90	18	9	38	39					
1990/91	14	9	21	18					
1992	12	7	16	17					
					Written		Verbally		
	UK	B&F	S	B&F	UK	B&F	S	B&F	
1989/90	63	61	47	49	67	58	64	61	
190/91	58	58	61	68	60	51	65	32	
1992	59	53	58	67	63	54	63	46	

S=Sweden; UK=United Kingdom; B&F = Banking and Finance Sector

On the positive side the trend towards more communication is obviously reflective of the spread of managerial ideas. Increases in communication are necessary to enhance staff motivation, to provide the employer's side of a case in times of dispute or negotiation with employees, and management are increasingly taking the view that employees are more likely to cooperate in the process of change if they are aware of the circumstances confronting the company or organisation (Wilkinson, 1989). In addition "the widespread move towards smaller workplaces (which has occurred even within larger organisations) and the equally widespread moves towards decentralisation of managerial autonomy have encouraged face to face communication between management and employees" (Brewster, et al, 1994: 160).

However, legislation which supports employee representation through staff bodies in Sweden undoubtedly gives support to employee representation, although there is no evidence from the data that EC legislative influences have made any impact as yet (Brewster et al, 1994: 160).

Strategic Issues

Three questions were added to the survey relating to communications in the 1990/91 survey. Two were top-down type questions, and asked if employees were formally briefed about company strategy and financial performance. The other question was a bottom-up question which asked by what method employees could communicate their views to management. The

Chapter 7: An Analysis of the Findings

data unfortunately only gives the relative strengths of these forms of communication and does not indicate whether they are increasing or decreasing in use.

The survey data clearly shows a gradual lessening in the amount of information the further one travels down the organisation. This applied both to the UK and Sweden, which often prides itself on employee participation. Several interpretations can be put on this data. Firstly, the view that the average employee does not need to know the strategy of financial aspects of the business except that which directly relates to him or her. Therefore there is much less need for a formal briefing on these issues. The opposite view is that with increases in motivational policies such as profit sharing and employee share options there is much greater need for such briefings. If the latter view is valid then there is still much to be done in terms of communicating these issues to the workforce in both the banking and finance sectors and the economy as whole.

Heller (1991; 1992) suggests that effective understanding and participation particularly of complex issues such as the finances of the organisation require employees to be briefed or even undergo training. A more cynical view would be that senior managers present information in complex or less digestible forms so that they conform with legal requirements. For example the UK Company Acts 1978 and 1980 compel organisations to disclose financial information to employees, but they put off employees wishing to be involved further because employees feel that they are too ill educated to judge such matters.

Table 7.4
Employee Categories Briefed About Strategy

	1990/91				1992			
	S	B&F	UK	B&F	S	B&F	UK	B&F
Managers	95	100	93	95	96	96	91	92
Prof/Tech	53	77	59	67	46	33	59	59
Clerical	40	68	33	39	44	67	33	39
Manual	32	14	27	19	38	29	28	21

Prof/Tech = Professional and Technical grades.

Table 7.5
Employee Categories Briefed About Finance

	1990/91				1992			
	S	B&F	UK	B&F	S	B&F	UK	B&F
Managers	95	91	91	90	97	96	90	87
Prof/Tech	65	77	70	69	65	46	70	70
Clerical	60	73	53	49	75	88	53	56
Manual	51	18	47	25	68	50	49	32

Prof/Tech = Professional and Technical grades.

Channels for Communication of Employees Views to Management

The data dealing with the upward forms of communication reveals that the main method by which employees made their views known was through their immediate superior. This is not surprising as much communication takes place at an oral (micro) level in organisations and this would be the obvious first channel through the hierarchical structure. However, relying on this method alone could be ineffective as the relationship of the immediate superior with both his or her employees and senior management could distort the real meaning of the workforce message. Naturally most organisations use other channels. The second most popular in both countries at national level was through trade unions and works councils. Of course its representative nature makes this channel more distant (macro level) to the immediate work environment and the often lengthy process does not always allow a speedy response to employee questions.

While some sectoral differences exist more noticeable are the national differences which the data reveals. In UK workforce meetings ie meetings between management and employees in the workplace situation were practised by just under half the organisations. Surprisingly in Sweden this form of participation is relatively low. Explanations for this are difficult, given the general understanding, supported by our case study evidence, that workforce meetings are regularly conducted in Swedish organisations.

More popular in Sweden were attitude surveys and suggestion schemes, the former practiced by 40% of Swedish organisations and 46% of those in the banking and finance sector. Also of interest in the UK banking and finance sector was that workforce meetings were second in importance and therefore more popular than communicating through the unions or works councils. This is not surprising given the relatively low unionisation in this sector in the UK as we

have noted above. Whereas the Swedes used unions and works councils in 82% in the banking and finance sector, it was only used by 37% of British banking and finance organisations (Table 7.6).

Table 7.6
Methods by which Employees communicate their views to management

	1990/91				1992			
	S	B&F	UK	B&F	S	B&F	UK	B&F
I.S.	92	82	97	97	94	92	96	93
TU/WC	89	82	71	37	89	88	69	34
W/F Meet.	24	23	50	47	22	25	52	43
Q Cs	12	5	18	17	9	8	18	20
Sug. Sch	40	32	30	29	47	54	27	33
Att.Surv.	40	46	28	32	43	79	30	33
No F. M.	10	23	8	9	11	4	8	12
Other	5	5	7	12	5	13	7	14

KEY: I.S.= Immediate Superior; TU/WC= Trade Unions or Works Councils; W/F Meet= Regular Workforce Meetings; Q. C.s= Quality Circles; Sug. Sch= Suggestion Schemes; Att. Surv.= Attitude Survey; No F. M.= No Formal Method.

Conclusion

From the Price Waterhouse Cranfield data we can see certain patterns emerging in employee involvement in UK and Sweden and other European countries. There has undoubtedly been a considerable increase in communication and types of employee participation in organisations. However, the greatest increases are undoubtedly in forms of communication and participation which are either in the form of one way channels (top-down) or are rooted very much at a micro (work place) level in the organisation. Strategic (macro level) issues to do with company strategy and finance show very much less involvement of the workforce as one proceeds down the hierarchy particularly to manual and clerical levels. This effect can be partly explained by a move, a very slow move in some organisations, from old hierarchical and often autocratic systems of management to more democratic styles. However, the move is proceeding with caution and only in conjunction with systems which while enhancing efficiency via involvement and commitment of the workforce at micro levels, is much more hesitant at macro levels which have much more potential to challenge the management prerogative over strategic issues of an organisation wide nature.

It has been pointed out by Brewster et al (1994:166) that sector and size seem to have less of an influence on employee involvement, and that national institutional and cultural factors such as legal requirements, customs and practice have a greater bearing on the forms and outcomes of employee involvement. However, we have noted that there are considerable differences in the UK between the banking and finance sector data and the UK national data, particularly in regard to trade union density and influence. The PWC data while of great interest in pointing up trends in employee participation and communication is limited to the perceptions of personnel managers to whom the questionnaire was sent. The postal questionnaire is also understandably limited in what information it can elicit and the PWC questionnaire already covers a considerable range of subjects under the HRM umbrella. Therefore information concerning the views of employees and their line managers needs in-depth research using qualitative methods amongst other approaches. It is our intention to explore the questions raised by this analysis in the next section using the in-depth research from the banking organisations in Sweden and Britain.

Employee Involvement and The Case Study Banks

The Desire for Participation and Involvement

We have already examined the case study populations in terms of size, age, gender, service, educational qualifications, representativeness of each organisation, types of training courses respondents attended in the previous five years and the grade structure of each organisation in chapter 6. We now turn to the attitudes of employees towards employee involvement beginning with respondents perceptions of 'desire' for participation. There have been a number of commentators, particularly in the more popular managerial literature, who assume that employees wish to be 'empowered' or wish to have more 'responsibilities' in the work place (Peters and Waterman, 1982; Kanter, 1984; Lawler, 1986). This poses important questions as to the degree and type of involvement which employees desire and are actually offered. Even then these attitudes represent only a snapshot in time and with increasing age, training and education, attitudes towards participation could change. The Japanese for example place considerable emphasis on training and its relationship to group involvement over a period of time (Pascale and Athos, 1981; Sako and Dore, 1989.)

The Anglo-Swedish Survey also found that Swedish expatriate managers working in Britain experienced a great deal of

frustration in dealing with British workers who were inclined to be less involved in problem solving exercises. This was partly due to a reluctance to accept more responsibilities and partly due to the fact that the British employees lacked confidence and ability to effectively be involved as they were not trained in these methods of work (Brewster et al, 1993:56-58). In other words it could be argued that levels of involvement can be correlated to an increased consciousness influenced by education, training, experience (age and length of service), status and other factors.

Three questions (Appendix 1, Questionnaire 1, Section 2, pp.3- 4) set out to elucidate respondents feelings about participation in decision making on 'what changes take place in their jobs', 'how they carry out their jobs' and 'when they do their jobs.'

The response range covered a Likert type scale of six levels of participation from a desire for no involvement, through varying increments to the 6th level where employees had complete control over decision making in their workplace and job. The six point scale was then reduced to three value clusters or dimensions to facilitate clearer analysis of employee attitudes. The dimensions were grouped:

- A) Little or no participation (responses A and B).
- B) Consultation and limited involvement in decision making (responses C and D).
- C) A considerable or complete degree of control over decision making (responses E and F).

A model illustrating three possible patterns of participation was used to compare the actual responses, ranging from a low involvement model (graph curve from top left to bottom right), through a median position (graph curve relatively even with slight hump in the middle) to a high involvement curve (graph curve from bottom right to top left). In comparing the data against these models what emerged was that in both groups the majority of employees desired some consultation and involvement in decision making and there was a considerable similarity in the desire for participation (Fig. 7.1).

Fig. 7.1 Models of Involvement

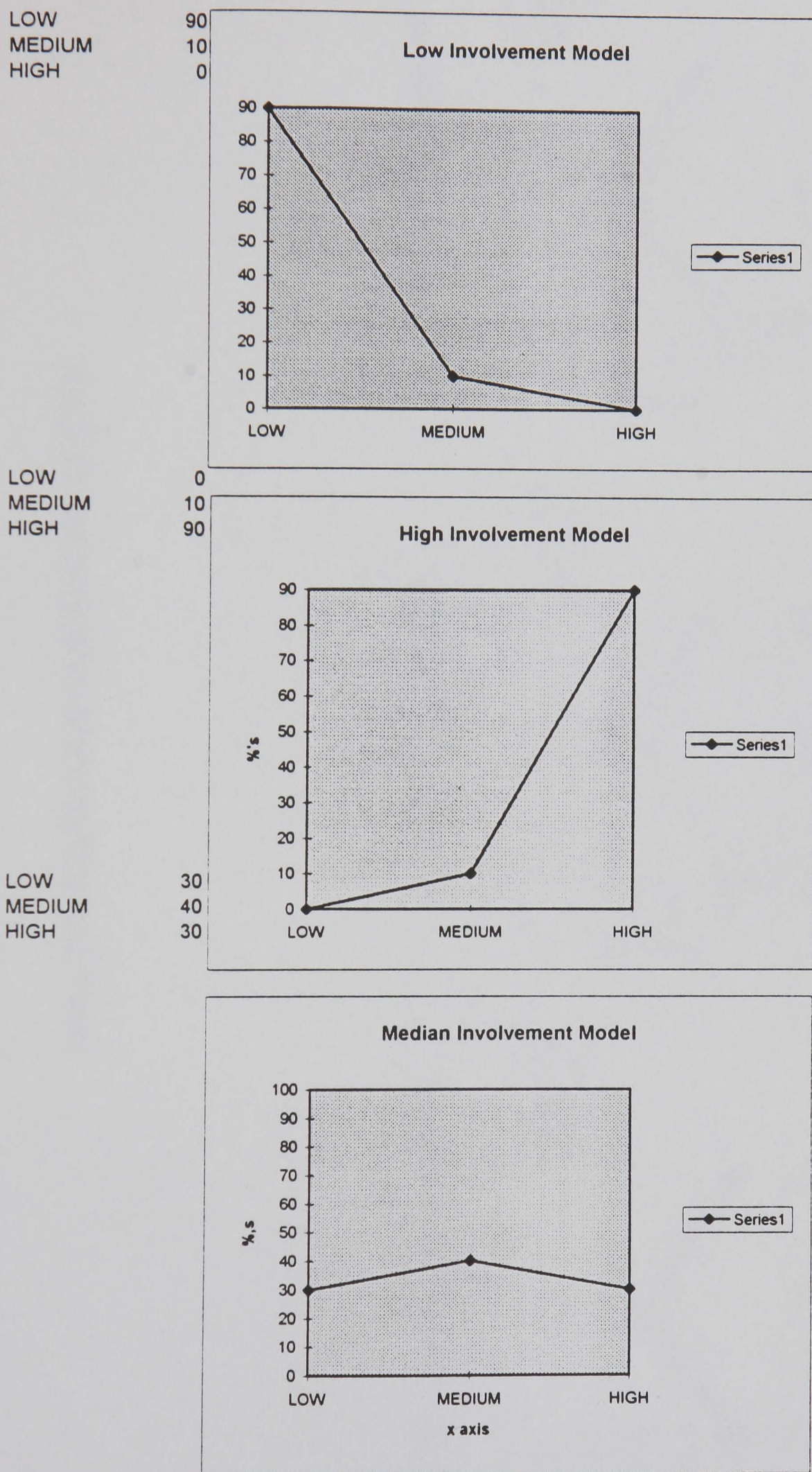
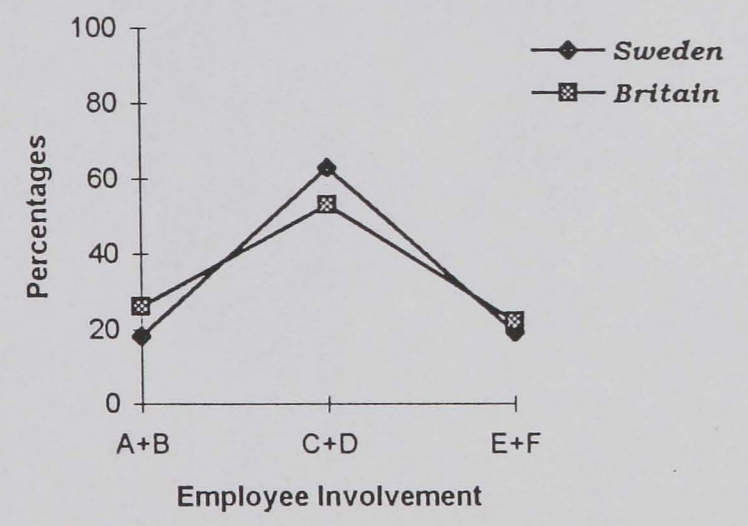


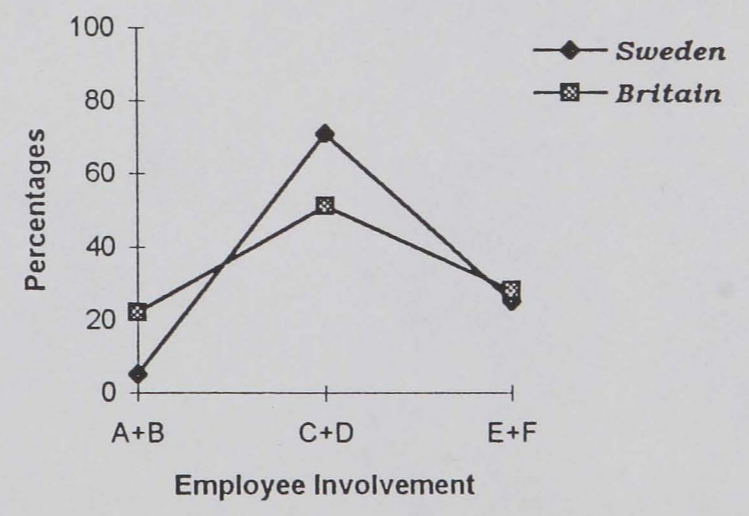
Fig. 7.2

EMPLOYEES DESIRE FOR INVOLVEMENT AND CONTROL

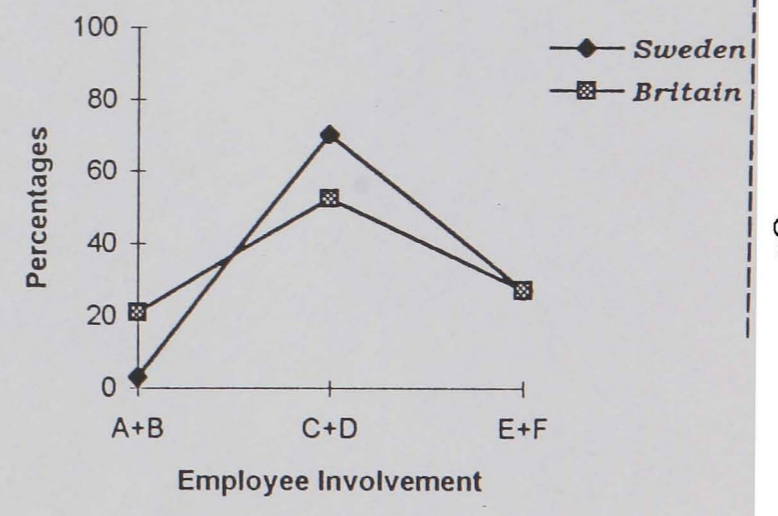
a) WHAT changes take place in my job ?



b) HOW I carry out my job



c) WHEN I carry out my job



However, there were some small differences, and two of the three dimensions were statistically significant (see Table 7.7). A higher proportion of British employees (26%) wanted little or no participation in **what** changes should take place in their job (dimension A) than the Swedes, 18% (Fig 7.2a, Table 7.8). Conversely, a greater proportion of British (22%) want a considerable or complete degree of control over decision making, than the Swedes (19%) although the difference between the two groups is less on dimension C (3%) than on dimension A (8%).

Interestingly, employees in both companies expressed less desire for control over **what** changes took place in their job than how or when they did it. 'What changes in the job' implies such factors as the introduction of new technology and the reorganisation of work, elements which can have an enormous bearing on the efficiency and control in the organisation. Cressey and Williams (1990) in their study of 21 organisations across 5 countries conclusively showed that in examining the degree of participation employees were allowed in the implementation of new technology participation was much lower in the initial and crucial stages of decision making about the kind of technology to be introduced and only increased after these initial decisions had been completed. This they called the "paradox of participation"; "as the scope for influence decreased during the innovation process, so the intensity of participation increased" (Cressey and Williams, 1990:39).

Table 7.7
Degree of Participation and Involvement Desired
(percent)

	'What'		'How'		'When'	
	UK	Swed	UK	Swed	UK	Swed
Dimension A	26	18	22	5	22	3
Dimension B	53	63	47	71	48	70
Dimension C	21	19	31	25	30	27

Key:

A) Little or no participation (responses A and B).

B) Consultation and limited involvement in decision making (responses C and D).

C) A considerable or complete degree of control over decision making (responses E and F).

WHAT changes take place in my job (ANOVA No sig.)

HOW I carry out my job (ANOVA p. = .050)

WHEN I carry out my job (ANOVA p. = .032)

On analysing the degree of participation which employees desire over **HOW** they do their jobs a shift is apparent, particularly in the Swedish data. How an employee carries out his or her job can cover a considerable range of activities each with varying potential for control.

Operating a computer system, for example, will offer fewer opportunities for diversifying how the job is varied if standard procedures have to be followed as part of a pre-determined programme. Dealing with a problem in, for example, customer service offers a much wider scope for employees to bring a greater initiative to how the situation is handled. Nevertheless, interviews with both cohorts of staff revealed that a greater wish for participation and a degree of control was desired in order to bring variation to forms of repetitive jobs.

There were, however, noticeable differences between the two cohorts. Table 7.7 shows quite plainly that a greater proportion of the British cohort, 22%, desire little or no participation (Dimension A) than do the Swedes, 5%. By far the majority of Swedes, 71%, plump for Dimension B, which allows for consultation and limited involvement, while the British figure drops to 51%. Interestingly, while the British figures remain similar, the Swedish desire for more participation increases over the three dimensions. An ANOVA (Analysis of Variables test) significance of 0.05 is recorded for this comparative data.

A similar pattern is seen in the examination of the degree of participation which employees desire over **when** they do their job (Table 7.7). This infers a control over the time element of employee's work and could vary from keeping to strict deadlines laid down by management or controlled by technological mechanisms to having few or no time constraints in terms of job completion. It could also mean control over choice of hours worked varying from flexi-time practices to rigid 8 hour shifts.

In summing up we find that a similar pattern emerges in the two cohorts in which the majority want to be consulted and have some participation, higher percentages of the British group (23% on average) want little or no participation, compared with the Swedes (9% on average). At the other end of the dimensional scale, on average 28% of the British group desire a considerable or complete degree of control, contrasted to 25% on average of the Swedish group. This question concerns desirability and not actuality and as we have noted the present degree of British participation is perceived as being lower than the Swedish, and the Swedes themselves might consider more participation less desirable as they feel they have considerable participation already.

Actual Participation

The actual participation which employees in both organisations felt they experienced was predictable in the that Swedes felt more involved and able to influence decisions over a range of issues than their British counterparts. What was interesting, however, was that a number of issues which can be loosely termed macro in nature, and which could be construed as being of strategic significance in the organisation, indicated that the Swedes felt they had as little say as the British in these issues. In other words a greater management prerogative held sway over these issues.

A number of issues were presented to both cohorts of employees and they were instructed to mark on a scale of 1 to 5 the degree of influence which they felt they had over them. The issues themselves could be divided roughly into macro and micro ranging from the way an employee carried out their job to how much influence they felt they had on company policy (Table 7.8).

(NB: Tables 7.8, 7.9, 7.11, 7.12 and Fig. 7.3 below are based on questions in Questionnaire 1, Section 3, pp. 4-7, and are concerned with degrees of employee influence over a range of issues. Tables 7.13, 7.14, 7.15 are concerned with employee awareness of company issues, and are based on questions in Questionnaire 1, Section 4, pp. 8-9).

Table 7.8

Influence Which Employees Feel They Have Over The Following Work Policy Issues

<u>Issues</u>	<u>Micro</u>	<u>Mic/Mac</u>	<u>Macro</u>
1. Hours of work	*	-	-
2. Way carry out job	*	-	-
3. Performance Related Pay	-	*	-
4. Pace of work	*	-	-
5. Work environment	*	-	-
6. Hiring workforce	-	*	-
7. Firing workforce	-	*	-
8. Training	-	*	-
9. Promotion	-	*	-
10. Budget allocation	-	-	*
11. Purchase of materials	-	*	-
12. Purchase of equipment	-	-	*
13. Department policy	*	-	-
14. Company policy	-	-	*
15. Health and Safety	-	-	*
Total	5	6	4

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The problem with this division is that some issues involve policy determined at both company and workplace level. Even if policy is determined at the macro level a considerable degree of influence can be exerted over the interpretation of the issue by managers and employees at micro level, hence the largest category being in the macro/micro category. In addition there are degrees of influence over the creation of the policy (macro level) and its implementation (micro level).

In examining the data results it soon became clear that employees felt there were a considerable number of issues over which they had a limited influence.

Table 7.9
Influence Which Employees Feel They Have Over The Following Work Policy Issues (In ranking order)

Rank	Work Policy	Sparbanken	Work Policy	Coop
1.	* Promotion	1.62	* Company policy	1.10
2.	* Company policy	1.69	* Firing wkforce	1.11
3.	* Firing wkforce	1.84	* Budget allocation	1.12
4.	* Hiring wkforce	2.13	* Hiring wkforce	1.15
5.	* P.R.P.	2.19	* Promotion	1.18
6.	* Budget alloc.	2.26	* Purch. equip.	1.40
7.	# Purch. equip.	2.31	* P.R.P.	1.65
8.	# Dept. policy	2.62	* Hours of work	1.70
9.	# Hours of work	2.83	# Dept. policy	1.82
10.	+ Training	2.93	# Purch. mat.	1.95
11.	+ Health & Safe	2.98	# Training	2.05
12.	+ Purch. mat.	3.10	# Health & Safe	2.30
13.	+ Work environ.	3.33	+ Work environ.	2.52
14.	+ Pace of work	3.40	+ Carry out job	3.05
15.	+ Carry out job	3.50	+ Pace of work	3.08

Averages over Likert Scale range 1-5 = 3

** = Management prerogative, # = management and employee influence equal, + = Employee influence strong.*

(hiring wkforce = hiring of the workforce; firing wkforce = firing of the workforce; PRP = Performance Related Pay; Purch. equip. = purchase of equipment; purch. mat = purchase of materials; Dept. policy = departmental policy; Health & Safe. = Health and Safety; work environ = work environment).

Table 7.9 gives the rank ordering from low to high influence over the issues, and if we take the Likert scale average of three we can see that 4 of the 15 issues score higher than this in Sweden and only two in Britain. It would seem that

both groups of employees feel less than average influence over most issues.

If we re-interpret the data by dividing the difference between the highest scale and the lowest (Sweden 3.50 - 1.62 = 1.88, Britain 3.08 - 1.10 = 1.98) and divide by three (Sweden = 0.63, Britain = 0.66) and define each of these categories in terms of management employee prerogatives a better picture emerges in terms of employee influence.

Table 7.10

Comparison of Low, Median and High Influences

Sweden

Low Influence (management prerogative)	1.62 - 2.24
Median Influence (Management/employee)	2.25 - 2.86
High Influence (employee)	2.87 - 3.50

Britain

Low Influence (management prerogative)	1.10 - 1.76
Median Influence (Management/employee)	1.77 - 2.42
High Influence (employee)	2.43 - 3.08

In Sparbanken management prerogatives are exercised over six issues and in Britain over eight. Joint management/employee influence are exercised over three issues in Sweden and four issues in Britain, and greater employee influence is exercised over six issues in Sweden and three in Britain.

Table 7.11

Differences Between British and Swedish Employees Perceptions of Involvement on Work Policy Issues.
(In Ranking Order)

<u>Rank</u>	<u>Work Policy</u>	<u>Difference</u>	<u>ANOVA (p.)</u>
1.	Pace of work	+ 0.32	No sig.
2.	Promotion	+ 0.44	.000 (V.sig)
3.	Carry out job	+ 0.45	.004 (Sig.)
4.	P.R.P.	+ 0.54	.007 (Sig.)
5.	Company policy	+ 0.59	.000 (V.sig)
6.	Health and Safety	+ 0.68	.000 (V.sig)
7.	Firing workforce	+ 0.73	.000 (V.sig)
8.	Department policy	+ 0.80	.000 (V.sig)
9.	Work environment	+ 0.81	.000 (V.sig)
10.	Training	+ 0.88	.000 (V.sig)
11.	Purchase of equipment	+ 0.91	.000 (V.sig)
12.	Hiring workforce	+ 0.98	.000 (V.sig)
13.	Hours of work	+ 1.13	.000 (V.sig)
14.	Budget allocation	+ 1.14	.000 (V.sig)
15.	Purchase of materials	+ 1.15	.000 (V.sig)

Table 7.11 illustrates more clearly the differences between the Swedish and British workforces' perceptions of influence over issues, and analysis of variables (ANOVA) between the two cohorts shows that there is statistical significance on most issues between them. This indicates in all significant cases that the Swedes feel more involved than the British. Even though they themselves feel that their influence over issues varies, it varies at a higher level of participation. If we take our three levels of involvement we can see very clearly in Table 7.12 that the Swedes feel they have influence over more issues at a high and median level of involvement, and the British at a low level of involvement.

Table 7.12

Comparative Perceptions of Involvement on Work Issues

Issues	High Involvement		Median Ambiguous		Low Involvement	
	Sweden	UK	Sweden	UK	Sweden	UK
1. Hours			■			■
2. Way do Job	■	■				
3. PRP					■	■
4. Pace Work	■	■				
5. Comf. Work	■	■				
6. Hiring w/f					■	■
7. Firing w/f					■	■
8. Training	■			■		
9. Promotion					■	■
10. Budget					■	■
11. P. of Mat.	■			■		
12. P of Equip			■			■
13. Dept Pol.			■	■		
14. Comp. Pol.					■	■
15. Health & S	■			■		
Total	6	3	3	4	6	8

In examining the evidence in a visual form we can see the results more clearly. The graphs were constructed out of the five point Likert scale to compare with our earlier models showing the three curves of involvement. As there were only five Likert scales in this section of the questionnaire, A and B represented low involvement, D and E high, and only C represented the median position. The results of the data shown in graph form illustrate more strikingly the contrasts and similarities of our survey outcomes.

Fig. 7.3

PERCEPTIONS OF DEGREES OF INVOLVEMENT BY NON-MANAGEMENT STAFF

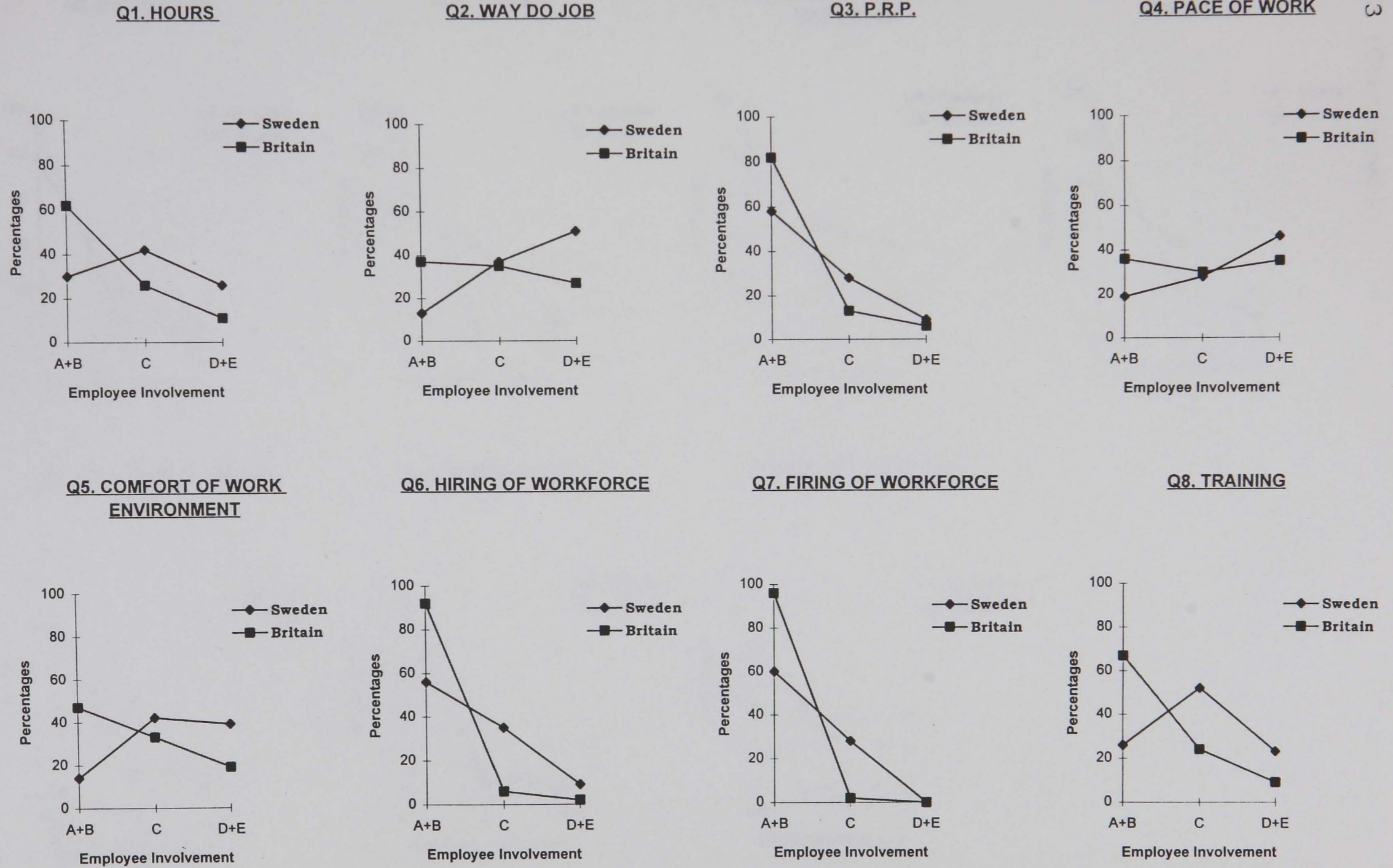
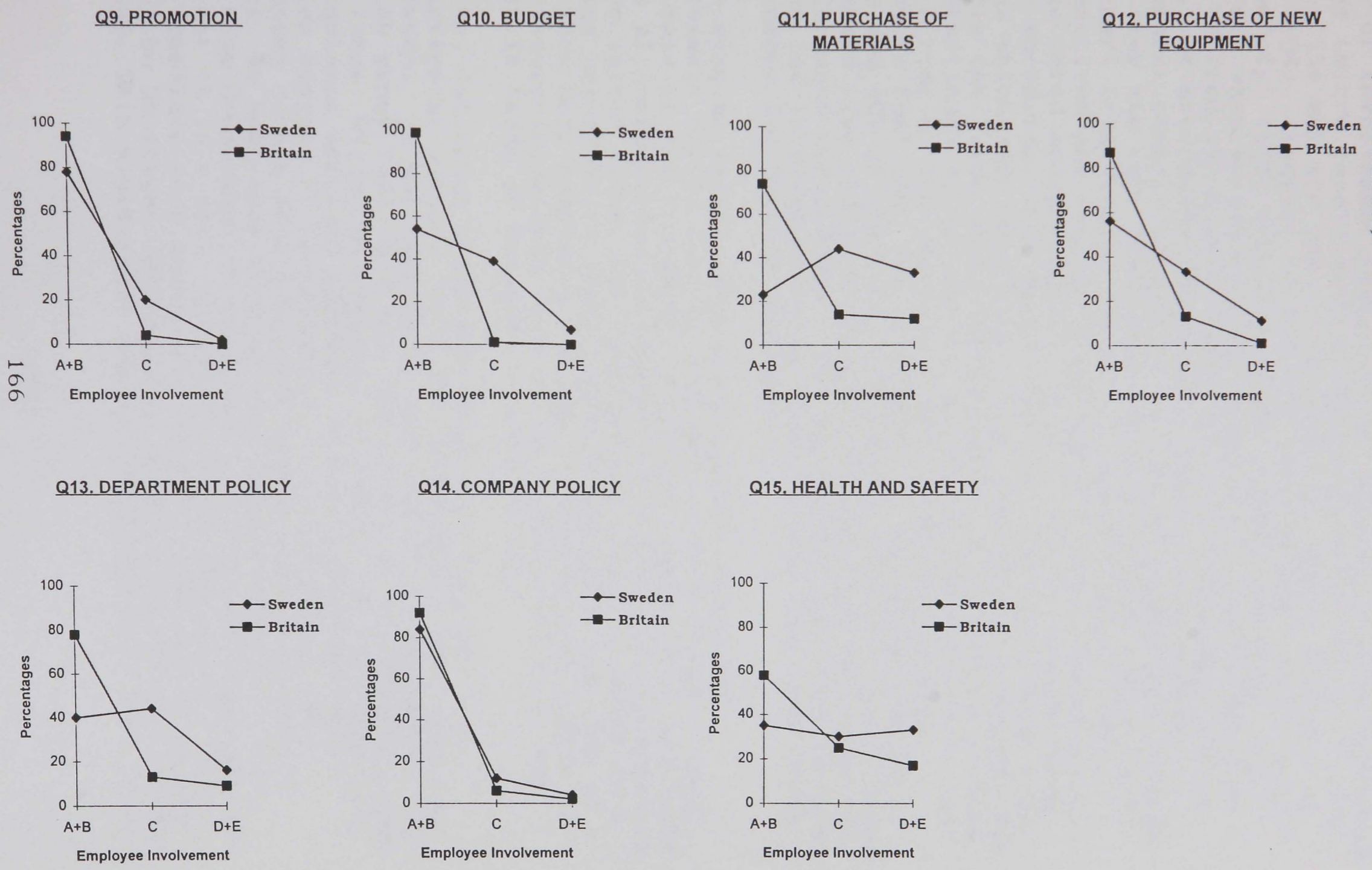


Fig. 7.3 (Continued)

PERCEPTIONS OF DEGREES OF INVOLVEMENT BY NON-MANAGEMENT STAFF



Of the fifteen issues there is a tendency towards the median level of involvement (equal curve distribution) in workbased issues (micro level) such as influence over 'hours of work' (Q1), 'the way the job is carried out' (Q2), 'the pace of work' (Q4), 'comfort of the work environment' (Q5), 'health and safety' (Q15) and to a lesser degree 'training' (Q8). However, when we examine the remaining issues we see that most of them are either issues which are strategic (macro level) or are deemed important enough to have greater management control over them. Not surprisingly both cohorts felt they had very low influence over company policy (Q14), and apart from Ricardo Semler's company (Semler, 1993), cooperatives and similar organisations, most organisations in the world would probably register similar results from their workforce. Both workforces felt low involvement over issues which were sensitive at the time of the research, for example the large scale redundancies and job losses in both organisations. If we look at 'hiring of the workforce' (Q6) and 'firing of the workforce' (Q7), 95% of Coop Bank employees feel they have little or no influence over this issue and 60% of the Swedish workforce feel the same. Issues of reward also register similar responses and influence over 'performance related pay' (Q3) and 'promotion' (Q9) conform to the low involvement curve although once again the curve is steeper for British employees.

If we examine issues concerning finance, again low involvement curves tend to predominate over 'budget' (Q10), 'purchase of new equipment' (Q12) and 'purchase of materials' (Q11) although Swedes conformed to the median curve position on the latter issue. Not surprisingly issues of money in a banking organisation would figure prominently but also at a time when both companies are making considerable losses it is not surprising that controls in these areas would not change in terms of management prerogatives.

Finally, influence which employees felt they had over 'departmental policy' (Q13) was surprisingly low, even for the Swedes. 80 per cent of British employees and 40% of the Swedish group felt that they had little or no influence over this issue. Given the emphasis on TQM in the Coop Bank and the customer services emphasis in both companies (which implies degrees of empowerment) it is surprising that employees do not feel more involvement over departmental policy. We must bear in mind that departmental policy may vary from department to department within each organisation and that it is a more 'strategic' issue than control over ones immediate work processes, in that departmental policy can often be shaped considerably at the macro levels of the company. This would again suggest that employees feel less

influence over macro issues, and this is supported by the oral evidence most notably in the Coop Bank.

Communications

In line with the findings of the Price Waterhouse Cranfield Survey there was high awareness of macro level company issues although once again the Swedes felt much more aware than the British. The Swedes registered scores of above 70% in all issues and very high in their awareness of the company's market position (91%) and financial position (90%). The majority of British employees were aware only of the company's 'mission statement' (83%) and 'financial' (63%) and 'market position' (54%) issues, the latter two of which scored considerably less than the Swedes. The British displayed much less awareness of their company's 'corporate strategy' (33%) and 'personnel strategy' (32%), which is surprising in an organisation which had consciously introduced HRM policies from the late 1980s. It must also be borne in mind that these are top down communication issues and do not involve employee influence, and a high positive response rate would be expected.

Table 7.13

Awareness and Information on Strategic Issues

(Valid %)

	<u>Sparbanken</u>		<u>Coop Bank</u>	
	Aware	Info	Aware	Info
A. Mission statement	74	N/A	83	N/A
B. Corporate Strategy	79	72	33	23
C. Financial position	90	90	63	54
D. Market position	91	84	54	44
E. Personnel Strategy	72	70	32	27

Aware = Aware of company issues

Info = Receive regular information

A large majority of employees felt that they received regular company information on all issues in Sweden, and the responses corresponded closely to those concerning employee 'awareness.' There were, however, falls of up to 10% of British employees being 'aware' of issues and receiving information on them, and these were particularly low in terms of personnel strategy. This may be explained by a confusion between the terms HRM and personnel and the other issues, such as TQM and PRP, which were being implemented at the Coop Bank during this period. What is of interest is that both groups of employees felt a keen awareness of their company's market and financial position, which, if negative,

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could have adverse consequences for their future employment prospects.

In the second questionnaire (Appendix 1, Questionnaire 2, pp.10-15) eight questions were asked of both managers and non-managers regarding communication issues (seven of the questions concerned mainly strategic issues). While the responses correspond to those in the first questionnaire it was interesting to note the gap between management and non-management perceptions in both organisations.

Table 7.14
Perception of Adequacy of Communications
(Questionnaire 2, Valid %)

	<u>Sparbanken</u>			<u>Coop Bank</u>		
	<u>N-M</u>	<u>M</u>	<u>Diff</u>	<u>N-M</u>	<u>M</u>	<u>Diff</u>
Q3. Informed of mngmt aims and long term planning?	74	86	12	38	48	10
Q5. Info channels adequate?	72	93	21	43	67	24»
Q15. Informed about banking industry?	72	86	14	57	41	16
Q16. Informed about company?	81	93	12	52	63	11
Q17. Informed about operating systems?	79	71	8	54	78	24
Q18. Informed about financial position of the bank?	87	0	N/A	44	56	12
Q19. Informed about proposed changes?	66	79	13	37	56	19

(N-M = Non-management, M = Management)
(Diff = differences N-M & M)

Table 7.15

Differences Between Swedish and British Non-Managers & Managers

	Diff N-M	Diff M
Q3	36	38
Q5	29	26
Q15	15	45
Q16	29	30
Q17	25	7
Q18	43	N/A
Q19	29	23

(N-M = Non-management, M = Management)

(Diff = differences between N-M Britain & Sweden; differences M Britain & Sweden)

The largest differences in perception between management and non-management in both organisations was in response to question 5 'whether information channels were adequate.' There was a difference of 24% and 21% for British and Swedish non-managers and managers respectively (Table 7.14). The positive responses amongst the Swedes were, however, still much higher than the British with 29% and 26% differences between Swedish and British non-managers and managers respectively (Table 7.15).

Of the 7 questions on communications there was only a majority of British non-managers in agreement on three questions: being 'adequately informed about the banking industry' (57%) (which was the only question on which British managers scored lower than non-managers - 41%), being 'adequately informed about the company' (52%) and about 'operating systems' 54%. In an organisation which has implemented policies to increase information to the workforce this is not a very impressive response rate. If we are to examine the question concerned with being 'adequately informed about proposed changes' (Q19) this scores the lowest amongst both the British and the Swedish non-managers, and given the large scale changes being implemented at the time of the research in both organisations, this indicates an obvious failure in both banks to reassure many employees of the nature and scale of these changes.

This uncertainty was underscored by the open ended question, and when asked what management information employees would like to receive, the highest answered category for both groups concerned strategic issues related to the organisation's performance, plans and strategies both in the long and short term. This was of greatest concern for both non-managers and managers (Table 7.16).

Table 7.16
Ranking of Information Desired

<u>British Non-Managers</u>		<u>Swedish Non-Managers</u>	
1. None responses*	47%	1. None responses*	69%
2. Strategic issues	15%	2. Strategic issues	20%
3. Performance	12%	3. Happy with way	
4. More information		things are	7%
generally	10%	4. More information	
5. Staffing, promotional		generally	4%
issues, pay	8%		
6. Working procedures &			
work generally	4%		
7. More feedback	4%		
 <u>British Managers</u>		 <u>Swedish Managers</u>	
1. Strategic issues	38%	1. None responses*	63%
2. Performance	29%	2. Strategic issues	23%
3. None responses*	21%	3. More information	
4. More information		generally	15%
generally	12%		

* None responses = no reply was given.

Both groups of employees felt most informed about 'training courses' and felt equally informed about 'redundancy,' (Table 7.17) although registering a much lower number of responses. This is surprising considering that Sweden has codetermination laws which are supposed to ensure that the workforce is kept fully informed of such issues. 48% is a surprisingly high number of Swedish employees who don't feel adequately informed about this issue of considerable concern at the time when the research was being conducted. More of the British workforce feel regularly informed on promotion and pay bonus schemes, and this obviously reflects the increasing performance culture being development with HRM initiatives in the Coop Bank.

Table 7.17
Regularly Informed About the Following Issues:
(Valid %)

	<u>Sparbanken</u>	<u>Coop</u>
Training courses	84	60
Personal dev. programmes	72	40
Promotional possibilities	40	56
Pay bonus schemes	39	51
Redundancy	58	57
Recruitment	70	34

In line with the good communications of the Swedish organisation (Table 7.18) is the fact that employees feel most informed via company magazines and newspaper. This may, of course, strongly reflect the concern which employees were having about company wide issues at the time of the research. Not surprisingly a high percentage of employees in both organisations are informed by their immediate superior, as would be expected, as this channel is the one to which employees have the most access on a regular basis. However, the channel by which most employees in the Coop Bank feel they are informed is by team briefings. With a concerted policy of HRM initiatives being carried out in the Coop Bank, including a TQM programme which emphasises team briefing, it is not surprising that this channel of communication comes out high. However, over a quarter of the respondents do not rate this at all, and in interviews with respondents it soon became clear that in some departments meetings were not regular or did not take place at all!

Table 7.18

Informed about Issues in Table 7.17 by:

<u>Rank Sparbanken</u>	<u>%</u>	<u>Rank Coop Bank</u>	<u>%</u>
1. Comp. mag/newspaper	93	1. Team Briefings	72
2. Immediate superior	83	2. Immediate Superior	64
3. Notes/memorandum	77	3. Company circular	62
<u>4. Company circular</u>	<u>68</u>	4. Notes/memorandum	59
5. Team briefings	42	5. Fellow employees	58
6. Senior management	32	<u>6. Notice board</u>	<u>55</u>
7. Fellow employees	30	7. Middle management	44
7. Middle management	30	8. Comp. mag/newspaper	42
9. Notice board	12	9. Senior management	31
10. Quality circles	4	10. Quality circles	5

(NB: Above the line = more than 50% employee responses).

An unanticipated finding was that the Swedes do not rate team briefings higher given the impression on visits to the company that group meetings are convened on a regular basis. The explanation may be that the respondents did not understand the exact nature of team briefings and plumed for the option of being informed by their immediate superior instead, which is nearly 20% higher than the British score and nearly 10% higher than the British score on team briefing, the most popular British way of being informed.

However, the majority of British employees (over 50%) feel they are informed in a greater variety of ways (six), than the Swedes (four). Both cohorts do not seem to have much communication with senior management with less than a third claiming to receive information from this source.

Information about the company is thus chiefly gleaned via one's immediate superior, team briefings, company magazines and newspapers, notes and memoranda and company circulars. Twice as many relied on the 'grapevine' (fellow employees) in the Coop Bank than in Sparbanken. This may reflect the higher regard for non-official channels or the high context culture of the British organisation. However, Peter Walker of Vista, an employee communications consultancy, after carrying out a survey on company communications asserts that "core messages can only be passed on by those at senior level, who have 'ownership' of corporate policies, were involved in decision making and have the authority to bring change" (Jack, 1991:16). Unfortunately he found few companies in his UK survey conforming to this view.

Management and Non-Management Perceptions

Our second questionnaire dealt with the perceptions of managers and non-managers and the degree of influence which they felt non-managers had over a range of issues (some similar in nature to those in questionnaire 1). The gap between non-managers and managers could be compared within and between each organisation. There is no surprise in the survey's finding that managers, in both organisations, perceive non-managers to feel more involved than non-managers themselves. In other words there is a 'credibility gap' between the perceptions of the two groups. This is the most commonly expected result (Odiorne, 1954 quoted in Booth, 1988:64). It is natural that aware managers tend to perceive that employees in their charge feel a sense of involvement as this could be reflection on their abilities as managers. What interests us more is the size of the perception gap.

The responses were divided into perceptions of 'high involvement' 75+% positive responses, 'median/ambiguous involvement' 50 to 74% and 'low involvement' 49% and below.

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Table 7.19

Comparative Perceptions of Involvement: Management and Non-Management

Questions	High Involvement (75+%)				Median Ambiguous (50%-74%)				Low Involvement (49-%)			
	Swed		UK		Swed		UK		Swed		UK	
	M	NM	M	NM	M	NM	M	NM	M	NM	M	NM
1. Part of Management									■	*	■	
2. Part of Mngmt planning	*								■	*	■	
3. Informed of mngmnt aims & long term plans	*				■						*	■
5. Information channels adequate	*				■		*					■
7. Management participation in department meets	*	■	*					■				
8. Like more participation in Company planning							*	■	*	■		
9. Authority equal to responsibility		■					*	■				
10. Free to seek council re job	*	■	*					■				
11. Closer to those you supervise than supervise you					*		*		■		■	
12. Promotions to deserving people					*				■	*	■	
13. Receive tools info & incentives	*				■						*	■
14. Cooperation with other depts.			*		*	■		■				

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Questions	High Involvement (75+%)		Median Ambiguous (50%-74%)		Low Involvement (49-%)	
	Swed	UK	Swed	UK	Swed	UK
	M	NM	M	NM	M	NM
15. Adequately informed about banking industry	*		■	■		*
16. Adequately informed about Company.	* ■			* ■		
17. Adequately informed about operating systems		* ■	*	■		
18. Adequately informed about financial position		■		*		■
19. Adequately informed about proposed changes	*		■	*		■
	Swed	UK	Swed	UK	Swed	UK
	M	NM	M	NM	M	NM
Total	9	6	4	0	4	6
					1	5
					6	9

* = Managers, ■ = Non-managers.

NB: Swedish management responses missing on questions 1, 9 and 18. Questions 4, 6, 20 are open ended questions.

In examining the differences in perceptions between the Swedish and British staffs we note from Table 7.19 that both the Swedish management and non-management group feel greater involvement in issues than their British counterparts. Swedish managers felt high involvement (scores 75+%) on 9 issues and non-managers on 6 issues. British managers scored high involvement on only 4 issues and non-managers on none. If we examine the low involvement scores we see the direct reverse for the British groups, with 9 issues for non-managers and 6 for managers. In addition as we have already noted both the Swedish and British management groups perceive their employees as having more involvement and information on issues than the employees feel themselves.

Only two questions dealt with issues of macro level employee participation (questions 1 and 2) which asked whether employees felt part of management and management planning. Swedish managers did not answer question 1 and Swedish managers and British managers and non-managers registered scores below 50%. British non-managers scored as low as 11% which reflects the 'them and us' attitude quite clearly in the British organisation. On question two the highest differences were registered between Swedish managers and non-managers (52%). It is not only obvious that the majority of Swedish workers feel that they do not have a part in management planning but that Swedish managers think they do! This was the second largest difference between the British managers and non-managers but at a much lower level (27%) (Table 7.20).

Question 8 added another dimension to this subject by asking respondents whether they would like more participation in company planning. The interesting response was that both the British groups scored over 50% and both the Swedish groups below 50% - a reversal of the usual trend of results. Clearly there is a greater desire by the majority of the British cohort for more participation. Equally the majority of Swedes may feel that they have enough input in this area already.

Table 7.20
Differences Between Management and Non-Management
Perceptions

Question	<u>Sparbanken</u>			<u>Coop</u>		
	N-M	M	Diff	N-M	M	Diff
1.	45	NA	NA	11	37	+26
2.	34	86	+52	21	48	+27
3.	74	86	+12	38	48	+10
5.	72	93	+21	43	67	+24
7.	77	86	+ 9	63	82	+19
8.	45	43	- 2	52	70	+18
9.	76	NA	NA	63	56	+ 7
10.	81	93	+12	70	100	+30
11.	26	57	+31	25	52	+27
12.	36	57	+21	33	41	+ 8
13.	60	79	+19	26	48	+22
14.	64	71	+ 7	55	82	+27
15.	72	86	+14	57	41	-16
16.	81	93	+12	52	63	+11
17.	79	71	- 8	54	78	+24
18.	87	NA	NA	44	56	+12
19.	66	79	+13	37	56	+19

Despite the large differences between Swedish managers and non-managers on question 2, on other issues only four questions rated differences higher than 20% between the two groups, whereas double that number were registered between British groups. If we examine the differences between the Swedish and British non-managers, and between the Swedish and British managers eight issues each score greater than 20%, highlighting again the gulf between perceptions of participation and involvement between the two national groups.

Participation in Practice

Now we have seen how involvement and participation perceptions compare it would be appropriate to examine the actual process of participation. Much of the evidence for this was gleaned from visits to each organisation and through interviews with the workforce.

Participation in Sparbanken

As we have already noted in chapter five a raft of changes were introduced in Sparbanken by Richard Ringmar, Managing Director 1974 to 1991. These could collectively be seen as HRM initiatives but were introduced in a piecemeal fashion from the late 1970s and 1980s. Amongst them were participatory measures such as weekly team meetings based in the workplace, rather like a hybrid of quality circles and team briefings, and a meeting every three months involving the whole staff at each centre i.e the bank's headquarters in Uppsala and the regional branches. These larger meeting took place after banking time hours, and were concerned more with strategic issues affecting the bank as whole. In addition the union (Finansförbundet), which we have noted had a strong presence with a membership of well over 90% of the workforce, was consulted via regular meetings on a wide range of issues including pay, grade structures, health and safety, etc which were supported by the legal requirements of the codeterminational system. Thus in theory it would seem that the workforce had adequate consultation and participation via several mechanisms operating at both micro (workplace) and macro (strategic) level.

In interviewing Swedish staff it soon became clear that the extension of democratisation to work was rooted in the changes which occurred in Swedish society in the 1960s and 1970s. All of those interviewed who had received their education in the 1960s and before attest to a disciplined competitive school culture. KC (all interviewees will be referred to by their initials to maintain anonymity, and

their responses reported verbatim to maintain authenticity) who received her primary and secondary education in the 1960s stated that:

'Schools have changed very much since I went to school. You had to learn fact and not discuss. The teacher told me what to believe in. It started to be a little more free and discuss things, but before it was mostly the teacher who told us what to think and what to do.'

Whereas those educated in the 1970s and after, describe a more relaxed democratic system which emphasised values of cooperation and non-competition which accorded with Swedish egalitarian cultural values rooted in earlier times. As CA states the predominant value was:

'cooperativeness. Not very much competition. The ideas were very democratic at that time (early 1970s) and I feel that after 1968, the student revolution and everything, it was more influenced by the student body.'

In addition the majority of Swedish interviewees felt there was as much democracy in the workplace as in the world of politics whereas the British interviewees felt the reverse, that there was less democracy in the workplace than in the world of politics. It would seem the ideals of the student body of the 1960s had to some degree been perpetuated in Swedish society through codetermination and other participative measures, whereas in the UK that feeling had been lost to some degree in the 1980s, certainly in an institutionalised form.

The Swedish interviewees accepted the consultative and participatory processes in the work place as a matter of course and to some extent expressed surprise that questions concerning the desire to participate should be asked at all, certainly at micro level. When asked how decisions were made EL, a manager, stated:

'very much in a consultative way. We have the possibility to discuss very much. Now we know we have to do this, and what is the best way of doing it. And I trust my colleagues in the department. They know a lot and they make very good decisions when they are given the opportunity to participate in what and how we are doing things.'

'The opportunity to participate' occurs regularly in the day to day work as AC, a bank clerk states:

'We are only 5 people at the office which means we all have to participate. We have quite a lot to do and we all have our areas that we work with, but we all participate very much in our areas.... I feel at work we do what we have to do and nobody tells me how to do it. My hands aren't tied in any way. I can solve any technical problem. There are certain rules we have to stay within but I can do it how I want to do it and when I want to do it as long as its done.'

This accords very much with the participative autonomy approach of Swedish managers in the Anglo-Swedish study carried out by Cranfield and Uppsala Universities. Swedish expatriate managers working in Britain were surprised by the inability of British workers to take responsibilities on themselves in terms of owning work and problem solving (Brewster et al, 1993).

In addition task rotation is practiced and as AN, a cashier, states "we rotate this work. We work one month in loans, one month as a cashier etc but that's new."

The newness of such initiatives suggests that Sparbanken practices were not as 'progressive' as in some other organisations. For example IK who had worked at Handelsbanken until 1989, a rival Swedish bank and larger than Sparbanken at the time, declares:

'Handelsbanken is the best bank in Sweden. Decisions rest with employees at the front. They don't just say it. They do it. Employees have big responsibilities so they can act, and they get good feedback. When I came to Sparbanken it was older thinking, but it has changed, but we still have a long way to go.'

In the opinion of CA, a bank clerk, who has worked in both Germany and Britain, as well as in a book binding company in Sweden, organisational size and culture was important in explaining management style and degrees of involvement. For example when she trained at secretarial school in Brighton she had work experience in Oxfam which she found to be staffed by "the kind of people who were dedicated to their work. It didn't matter how much they earned or matter what they did." There was no hierarchical structure, participation was high and the boss was very easy going. By contrast her experience in a German law firm was very different 'the secretaries were secretaries and the lawyers were lawyers, and the lawyers decided what the secretaries should do...I don't think that the lawyers bothered to meet me. They knew I was there but they didn't care whether I was there or not. That was how I felt and it was bureaucratic.

Very much so.' This was most likely to be an organisational and occupational style difference rather than a national difference, and law firms with an autocratic style of management are not uncommon in the UK. Such personal comparisons can clearly give misleading impressions. Similar organisations must be compared, law firms should be compared with law firms and banks with banks. But this anecdote does highlight the influence which sector can exert on management styles, although the findings of the Price Waterhouse Cranfield Survey would suggest that national differences are a stronger factor in the equation (Brewster, et al, 1994:166).

As we note from some of the comments above, all was not perfect with meetings in Sparbanken, and nor would it be expected that all employees would find them so. Table 7.21 registers some of the concerns employees felt.

Table 7.21

Suggestions To Improve Present Meetings in Sparbanken
(Open ended Question 6, Questionnaire 2)
(In rank order)

<u>Non-Managers</u>		<u>Managers</u>	
1.	None response*	77%	1. None response* 73%
2.	Better planned/ earlier information	6%	2. Shorter and to the point 27%
3.	Shorter questions & answers	5%	
4.=	More information	4%	
4.=	Meetings are OK	4%	
4.=	Punctuality	4%	
(N=52)		(N=14)	

* None responses = no reply was given

No replies is the highest response in both groups which may suggest contentment with present meeting procedures or perhaps a reticence to speak. The major concerns of non-management are 'better planned meetings with earlier information.' This is, presumably, to allow employees time to think about issues and respond to them. By contrast managers would prefer 'shorter meetings which keep to the point.' While these two views are not incompatible they reflect the different concerns of managers and non-managers. The managers who will be running the meetings obviously feel a need to be focused on questions in hand (particularly those they have brought to the meeting for discussion), and feel less comfortable with issues raised by employees which they perceive to be 'off the point.' This suggests a concern over control of issues and control over the length of time spent on them. Both managers and non-managers, however, want

shorter meetings which indicates that non-managers can become as irritated with too many diversions from the set agenda as well. One employee commented that "departmental meetings could be held a little more regularly than has been the case over the last four months. Once a week at a set time is ideal." This suggests that not all departments hold regular meetings, although this seemed to be the exception rather than the rule.

Many respondents, both managers and non-managers, were too preoccupied with the proposed restructuring and redundancies to care too much about micro issues, most of the interviewees wanted to express their concern about the lack of information and the uncertainty of their future with the company. It is to these issues we now turn.

Participation at Macro Level

As we have noted in Chapter Two, a considerable amount of participation at macro level was conducted via union channels bound by laws on codetermination (MBL). These entitle groups "to demand negotiations on all matters pertinent to employer-employee relations, including all matters concerned with day to day supervision of work and with top level decision making within the company or public authority concerned" (Edlund and Nyström, 1988:46). The employer is thus forced into negotiations with employees and/or their representatives before any major decisions are made. To enable this to have meaning in practice requires the dissemination of information to employees and their representatives. As Edlund and Nyström (1988:49) state "employees for their part have primarily maintained that information is so scanty, and above all so belated, that the right of negotiation does not afford any real opportunity to influence decisions." At the end of process the employer also enjoys the right to the final decision. Of course the power relationship between the parties depends on the circumstances surrounding the issue: in this case large scale redundancies driven by a banking crisis and recession. The union realistically took the view that it would be better to be involved as much as possible knowing that they could not prevent redundancies, but to cooperate with the company (and the government which was bailing out the parent company) to staunch the flow of job losses (Hammar, 1994).

Against this background it is not surprising that employees interviewed (both managers and non-managers) were fearful of their future with the company and had feelings of impotence about their, or their union's, ability, to influence decisions. Employees repeatedly expressed concern about this

issue and in particular the lack of information. For example CA, a bank clerk, when asked if there is less participation in adverse economic conditions replied:

'Definitely. In an organisation like this with what we are going through right now, I would say that people were upset because they know they're going to lose their jobs or they might lose their jobs, of course its hard to be loyal to your employer.'

JC, a manager in the computer section, thought that there was far more employee participation in the 1980s and "when all is so down as it is now - you haven't got full participation." KC, a personnel assistant, endorses these views:

' You can see in this place when we don't have good economic conditions here you are not allowed to make your own decisions in the way you are allowed before, because restrictions are greater. You don't have the money or time. And now we are part of Sparbanken Sverige (SwedBank) we have restrictions and they come from the leaders and we just have to follow.'

EL, the personnel manager, also commented:

'A lot of persons in the organisation at the present time feel very much a lack of information. It is a drawback, because we have a tradition of getting very much information, having methods and measures to get information. Having the opportunity to participate and feeling part of what is happening. Now you don't hear anything and you get this spreading of rumours and all of a sudden you know that its decided. We haven't been asked at all.'

The effects of the lack of communication of information in a time of enormous change has been researched at British Coal over the recent redundancy of mineworkers. Hartley (quoted in Price, 1991:16) found that job insecurity caused by bad management communications and rumours of redundancy can have a negative effect on company productivity and "talk of redundancy can lead not only to stress and depression but to lower commitment to the company and mistrust between the workers and managers." Judging from the responses at the time the interviews were conducted, this would seem to be the case in Sparbanken.

Staff were also concerned that the restructuring process increasingly took power and decision making away from Uppsala towards the central board which managed the national

company. This feeling of emasculation is echoed by JC who states:

'...now we are the biggest bank in Sweden all decisions are taken at Stockholm. The new management is in Stockholm and all leaders in the old bank are not leaders any longer.'

EL as manager also described what she felt was happening and when asked if this was driven by the economic situation she replied:

'Yes, of course, the firm grip of the new leadership of Sparbanken Sverige to manage this enormous reorganisation as well as cutting down 3,500 persons, more than 20% of the workforce (*nationally*) which is a very big reduction, and it has to be done in a very short time which makes it more difficult. Of course we know the new management of the bank in Stockholm has enormous pressure on them to prove their efficiency to the government if they are to get the 2 billion Krona unless we can show we can reduce costs. And we have to do it in a very short time to really prove that we are worthy of this fresh money if we are to survive into the future.'

Asked if the more participative culture would return KC replied:

'Maybe after 5 or 6 years when we have settled this organisation. Maybe we will have more freedom in our little Sparbanken again. But not during the hard years before us. We have to follow leaders and do what we are told.'

Post Redundancy

When the redundancy process was over we had a telephone interview with Irma Tidlund (1994), the senior manager who was our research coordinator in the organisation. She had been moved to the Stockholm headquarters and occupied a more senior position. She stated that the redundancy process had been hard but that she thought ultimately it had been successful. Many people who had been used to a culture of a lifetime job and security had been shocked when confronted with the prospect of having to leave the company. Others were upset at having to be re-deployed. It is ironic in that during the research for the Anglo-Swedish project (1989-1991) a Swedish manager had stated that she couldn't understand the British workers attitude of accepting

redundancy and the sack and was being dismissive of British job security compared with the Swedes. She had claimed that:

'A (*British*) person might say that they do not like their job so they say 'goodbye.' I couldn't believe that. On the other hand in Sweden there is a dogma. For example to be a good person you have to work hard and do a good job. You have to endure life, even when its hard. You never give up because if you do, you as a person, are not worth very much'
(Brewster et al, 1993:19).

This attachment of worth to work is very strong in Sweden and that is why the redundancies although traumatic in any context are particularly so in Sweden. As KC, the personnel assistant stated, when asked how this would affect people's attitudes:

'For the general people I don't think they have any future and that's not a good thing because if they don't think you have a future it doesn't matter what you are doing. You don't have to studybecause there is no use for it and that's not good for the Swedish people. You have to think you have a future.'

Whether one accepts the pessimistic view of KC or the optimistic view of Irma Tidlund a work culture change is beginning to affect Swedish life. This had already been recognised in the late 1980s by Ekvall and Arvonen (1989) which they called a 'change centred style of management' with implications for participation. This has been characterised as creating visions, accepting challenges and risk taking. In other words the uncertainties of global and economic change and competition have impacted on Swedish management style with a move from a 'soft' approach to a 'harder' style in the 1990s climate of recession and competition. One can see this in the management of change within Sparbanken.

However, the culture of involvement remains strong and while the unions feel their influence declining the legal structure still remains to engender comparatively high levels of participation. Helena Hammar, the (Finansförbundet) union representative who was engaged in the redundancy process for the central area of Sparbanken Sverige, which included Sparbanken Uppland stated:

'We have a central union for all Sparbanken Sverige from all parts of Sweden, that was involved in redundancy procedures from the beginning. We weren't too happy about it but there was close cooperation with

the union. We had different opinions with the management on certain things - which people to stay behind and which to go but during negotiations we did pretty well.'

The differences over who was to be made redundant also involved national agreements about seniority. Those who are last to join a company are the first to leave, but Sparbanken Sverige management argued that if only younger members of staff were to go then this would create an imbalance in the workforce in terms of skill and occupation. Eventually an agreement was reached and Hammar stated;

'There were some older workers who did go. They had a choice whether they wanted to retire early or not and we had quite a few here. Of course it was quite a shock for them at the beginning, but I think most of them are happy now they decided to take early retirement.'

Counselling was organised for some of these workers. Hammar believes that the union emerged stronger from the process because Sparbanken management appreciated the cooperative way in which the negotiations over redundancy were carried out.

'The employers realised that if they were to do it successfully they needed the employees' cooperation and the union's. So we are actually in a stronger position now.'

An agreement called 'The Handshake' was made between the union and management and as Hammar commented:

'This is something very positive. We extend the handshake between the union and the management at Sparbanken, that in the future we are going to cooperate, and the unions are very involved in everything that is happening and all the employees are going to be very involved in what the bank does. And that's what we are shaking hands on. I think that will benefit both bank and the employees.'

This displays a desire for consensus despite having a weaker hand although the weighting of power will change with changing conditions. Employees will seek to reduce the union power to interfere, and unions will seek to reduce employers powers of management, but the essential balance is seen to be important, and needs to exist, otherwise chaos will emerge if either player in the Swedish model moves outside the framework to totally rewrite the rules in their favour. Whether the changing conditions of employment (HRM

initiatives, flexible work practices, individualisation and variation of pay, direct communications with employees, devolvment of responsibilities to the line with increased technological centralisation) will undermine this situation is, as yet, uncertain. What is certain is that the national cultural context of countries will affect this process, and despite the difficulties over the past few years a desire for consensual solutions seems to prevail.

Participation in the Cooperative Bank

As we have noted from our outline of the Cooperative Bank's development in chapter 5, there was, from the late 1980s, a deliberate strategy to introduce human resource management policies into the organisation, including increases in direct communication and employee involvement measures such as TQM and a staff council. TQM was introduced in 1991 and was part of an effort to improve the quality of customer service (internally, i.e between departments, and externally, to Coop Bank customers) by allowing initiative to staff to be more involved in their work processes engendering employee commitment and improved quality of services. As we have noted already a considerable amount of TQM training has been carried out with 81% to 85% of the Coop Bank non-management cohorts and 89% of managers having received some training in this area over the past two years. Approximately one million pounds was spent on this training programme. Managers were trained, many attending the Coop Bank training centre at Stamford Hall, and they in turn trained supervisors and employees, cascading the programme down through the organisation. It was a huge culture change programme conceived to effect attitudinal changes in staff to engender more customer awareness and efficiency. As DN, a production services manager stated:

' We all used to be compartmentalised and if you could pass a problem on you would do. We went through our initial TQM training, our own official homegrown version. I was a TQM facilitator. I took the TQM courses. I thought it was brilliant. I really enjoyed it and I got volunteered to do training courses in Skelmersdale and Stamford Hall with people from other areas of the bank. I think its great. You can all participate and all do something. If you see a problem don't pass that problem on.'

To those who were deemed to have had sufficient training in TQM a gold badge with a 'Q' for quality was presented.

The union (BIFU) looked on with an air of cynical suspicion and Keith Brookes (1994), the full time area representative believed that:

'quality management, TQM, the Coop were one of the first banks to instigate that and the whole HRM idea of changing the communications set up from talking to the union to talking direct to staff which is part of the TQM, quality circle type concept.'

He continued:

'Some of the TQM courses were about attitudinal change - there's no doubt about that. They were trying to re-shape and re-mould people for a new culture. I'm not sure if the bank believed that HRM changed much or it was lip service, but they would argue they succeeded. I don't think they did entirely. If you take TQM in its pure sense it doesn't leave much of a role for trade unions.'

Other studies have commented that it is crucial to fully involve the unions in the implementation of TQM as they are "likely to be a countervailing source of power and loyalty" (Wilkinson et al, 1992:16). The authors continue "TQM in its early stages is regarded as essentially management policy and outside the union sphere of influence where there is unionisation. However, as it works down the organisation, industrial relations issues are increasingly involved" (Wilkinson et al, 1992:16). There was certainly evidence that other policies, including those bound up with aspects of industrial relations, hindered the effective working of TQM in the Coop Bank as we shall see below.

However, DN, the production services manager, still believed that a union role was necessary in the Coop Bank:

'I've been a union member from day one. I've sat on the institutional committee for the union. I've represented managers and appointed staffs, and have sat on job evaluation panels as a union representative. I see the two (Bank and union) can work together. I don't say they always do.'

The union suspicion had been driven by an enormous dispute between the Bank and BIFU over industrial ballots on pay and jobs in 1991-92. Keith Brookes commented:

'We felt that the union was actually being threatened. We felt we could end up in derecognition. We took a very hard line against them on redundancy and pay.'

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Mainly on pay in 1991 and redundancy last year (1993). There seems to be a realisation over a period of time now that both sides are taking stock. If you're going to have TQM and quality you don't have to end with the unions. You can actually have the union on board and involved in understanding. There is potential conflict and the union is there to help resolve that conflict.'

In practice TQM can be divided into two functions, an interactive problem solving approach which should continually take place in the work situation, and an informational and feedback mechanism which operates through a regular forum such as a team briefing. As CH, a supervisor in Group Collections, stated:

'I try to have team briefings, where possible weekly - every Thursday night. Throughout the week I'll summarise any points I need to raise. They last about half an hour. I have my say first and then if there's anything they (the team members) normally chip in if there's anything they disagree with, and then at the end of the session if there's anything they want to say - anything they're not happy with, there's a chance to say it then.'

Managers themselves also hold team briefings throughout the various levels of the organisation and information is cascaded down the organisation in this way, from one level of team briefing to another, and, in theory, employees opinions and suggestions would work themselves up the organisation.

Implicit in the concept of TQM is problem owning and solving and PE, a printing and mailing room operator, describes how this can happen:

'There were one or two problems in the mail room which we've had to sort out ourselves. There was a case of the data boxes we used. Quite a few went missing so we hit on the idea of labelling them up on the inside and outside for a particular branch. They are now coming back more than the ones which weren't labelled up with the branch name on them. Basically the branches were keeping hold of them and not sending them back. We hit on the idea and put a memo in and labelled all the boxes up and they started to reappear.'

In addition, on request from departments the Human Resource Management department will provide a counsellor or trainer to visit departments to give advice and help in the operation of aspects of TQM if needed.

Weaknesses in Operation

While there obviously has been a considerable improvement in employee involvement at workplace (micro) level, the questionnaire and the interview material clearly indicate that a considerable number of employees felt that there was room for improvement. Some complained that the system was barely in operation in some departments. Table 7.22 reveals some of the staff suggestions for improving meetings in their departments, and more feedback and more meetings come out high in the suggestions for improvement among non-managers (2nd and 3rd ranking) and 3rd and 4th ranked among managers.

Table 7.22
Suggestions To Improve Present Meetings in Coop Bank
 (Open ended Question 6, Questionnaire 2)
 (In rank order)

<u>Non-Managers</u>		<u>Managers</u>	
1.	None response*	50%	1. None response* 33%
2.	More feedback/ involvement/ consultation	15%	2. Advance agendas/ time to prepare 27%
3.	More/regular meetings	13%	3. More feedback/ consultation 18%
4.=	More information	8%	4. More/regular meetings 13%
4.=	Advance agendas/ information	8%	5. Keep to point/ Don't overrun 9%
6.	Keep to point don't overrun	2%	
(N=89)		(N=27)	

* None responses = no reply was given

As JA, a personal adviser grade 6 believed 'the grapevine' is a more usual way of gaining information and stated:

'The team briefings are not regular. The managers have a lot of meetings and people seem to find out things in dribs and drabs. You find out by overhearing or something like that. You don't get told properly. I think we should be told as soon as they finish a meeting - just sit you down for ten minutes and say this is how you do this.'

JP a supervisor in central accounts commented that meetings had become rarer among supervisory and management staff:

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'Team briefings are few and far between. We used to have them regularly up to about 12 months ago. We'd have managers and supervisors meetings which might have lasted for a couple of hours, and then from them we'd feed it back down the line. You'd go and have a meeting with your staff. Some areas still have them on a more or less regular basis, but in our particular area they are few and far between. There's a desperate need if you feel that something needs to be said, to get together but they're not on anything like a regular basis.'

It appears then that team briefings vary from department to department in their existence, regularity and form. Some hold them once a week, some once a month and some not at all. Some use them as a genuine forum to gain staff views and others use them as purely an information disseminator for senior management views.

What are the reasons for the non function or irregularity of meetings? The most common explanation given was that they, particularly managers, were too busy to hold them, and a common reason given was staff shortages. EB, a clerk in the collection department explained:

'We should have more meetings. We're not having meetings because of the workloads, shortage of staff. The meetings had to go out of the window otherwise the work wouldn't get done.'

JW, a manager, endorsed this explanation, when asked if his department holds meetings.

'We aren't at the moment. We have done in the past. We're up against a brickwall with a lot of trading underway at the moment.'

JW also cited the influx of new staff and the lack of resources and time for training, so that spare moments are used in ensuring that staff are able to carry out functions and when asked why are there less meetings added:

'Training and pressure. We've recruited a lot of staff and to keep the work flowing because customers are all important and things have had to give somewhere along the line. While we accept its not the right approach, something has to give and what has to give in this instance is meetings which we are trying to cut back to minimum level.'

He put this down to:

'Partly the market situation and partly the fact that over the last six months we've had quite a lot of staff move onwards, upwards and outwards, and we've had to bring in staff and recruit and train them and that is a slow process. It means the amount of work we are getting through per head of our team is less on average than it ought to be.'

The message which seems to come through is that if managers and supervisors were given the resources in terms of time, facilities and personnel to train staff, particularly new recruits, then a lot of pressure situations could be avoided in the long run and time could be made available for processes such as team briefings. DC, a union representative remarked on how training affects the overall work process:

'The bank should spend more on training. Not just a quick day on training but go away for a decent course. For example last week we had two supervisors down (ill) but had nobody to run the computer, which is a vital part of our job. Through pure trial and error we managed to get by for the week. I haven't been trained on the computer. I've only been shown by somebody else. So its a question of pick it up when you can. Because of the staff levels there is no time for training. Certainly the bank ought to look at its training procedures and get it together, because if you are trained to do the job, you can do it better.'

It is also interesting to note that the Swedes gave much more training to their staff in areas of new technology than the British, and Table 6.5 (in chapter 6) indicates that only 23% of the Sparbanken non-management cohort had had no training in this area over the previous two years, compared with 71% of the Coop Bank cohort. Similar figures were recorded for managers and non-managers in the second questionnaire.

MP, who worked in the collections department, where a great deal of time is spent on the phone dealing with bad debt customers said that "a lot of newcomers get thrown in at the deep end." This is a high pressure job requiring interpersonal skills and techniques in handling emotions such as anger and fear from troubled customers, all of which if handled well can facilitate a more efficient collection of debt by providing some help to people with problems.

Another reason cited for lack of meetings was the shift system which makes it difficult for all team members to meet

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together and with their department manager. CH, a shift supervisor stated:

'we could have more team briefings with the manager because she works days and the night staff don't get much involvement with her. She gave a briefing about two or three weeks ago which was quite successful and I think we could do with something more regular with her. It gives a different view on things and we can bring things up with her, she's not always available for them.'

There was also confusion and uncertainty due to the restructuring process taking place at the time of the research which affected staff attitudes vis a vis approaches to TQM. Staff were not only unclear about the new structure but had resentments about responsibilities, reward and status which affected attitudes about commitment and loyalty. This was further underscored by the job losses which had taken place in the previous few years, which although carried out through natural wastage and other means, and had not lead to redundancies, had, nevertheless, created a feeling that the process was by no means over, and the first few actual redundancies of some managers had taken place. When asked if there was a climate of uncertainty DC, replied:

'Oh yes. Now that these managers have gone (*the first to be made redundant*) we're thinking who's next because we have people who are on what we call 9572, which are staff who are surplus to requirements. We also have staff, who under restructuring maybe used to be a grade 7, but that work no longer exists and they now do the work of a grade 4, but are still being paid as a grade 7.'

This was a similar, though much more intense, feeling of fear and uncertainty found amongst Sparbanken staff faced with large scale redundancies. Restructuring, redundancy, increases in part-time and short term contracts which were also being instituted at the time bred a feeling that contradictory messages were being sent by management. Management through the Mission statement, TQM, increased communication and other HRM initiatives were sending messages that the workforce are an essential part of the Coop Bank, to be valued and imbued with a sense of commitment which would be reciprocated. The reality was that many staff though eager to operate TQM measures felt insecure, overworked and perhaps faced with the possibility of redundancy.

This feeling came through strongly when interviewees were asked if there was still a 'them and us' culture in existence. All but one, including managers and supervisors, thought there was, and the line managers believed the divide was between the senior levels and the rest of the organisation. As one supervisor stated "employers are quite ruthless now, and its all about money." This was clearly seen by many as the hidden agenda, and that changes and the way they were implemented influenced a harder approach to management which did not sit well with the caring sharing messages originally sent by the TQM programme and other HRM initiatives.

Macro Level Participation

This feeling of divide came through most strongly when examining how much information and participation was allowed at macro level in the organisation. The senior board were very much aware that involvement had to be more than just at micro levels, and had introduced a works council, known as the Staff Council, in the Summer of 1992. The union was once again not only suspicious but hostile seeing this very much as an attempt to undermine their communication with the workforce by going over their heads. As Keith Brookes (1994), the BIFU area organiser stated:

'The Bank unilaterally established a staff council which we see as a direct threat to the trade union. It has not directly involved the trade union. It has sent out elections by staff without incorporating us in there at all. They simply put out the call for nominations for staff council without any consultation with us, which was a direct attempt to go over our head. A direct attempt to establish another body, because we had proven somewhat difficult. The year before we had a conflict with them and proven that we could communicate with, and represent the staff more effectively than the TQM jamboree that they had set up'

According to Brookes, the Staff Council was:

'utterly ineffective. We've offered the bank what we call a realistic proposal. They've offered us two BIFU seats but not for our officials.'

Brookes, believed that a Staff Council in order to function effectively needs people au fait with strategic aspects of the functions of an organisation, although he claimed that he would assume a relatively low profile if allowed a seat on it. His view was that it does not discuss anything of

consequence and "although the Bank attempts to breathe life into it, it has failed miserably."

Of course this is the opinion of a union official who has had a long period of conflict and negotiation over the previous few years with senior management, and has interpreted any HRM initiatives as a direct threat to the existence of the union in the company. The fact that management still recognise the union and there is a membership of over 80% would suggest that this viewpoint would have to be regarded cautiously. However, DN, a manager, felt staff were unsure about which channels they ought to use which suggested, as other employees did, that they were not sure of the purpose of the Staff Council.

Many of the interviewees also felt, however, that the power of the union had waned since the 1980s partly due to government policy, and partly due to internal conflicts within the Bank. Younger members in particular were more reluctant to join.

Despite these ambivalent views about the Staff Council most interviewees were convinced that they were estranged from participation, consultation and even information from the senior (macro) levels of management, and there were many examples of employees views not being taken into account in the interviews. JA, a personal adviser, summed up many of the views:

'In the work place we have meetings but all the decisions are made up above, and then you are told what to do but they don't ask you. We are the people doing the work. We know what the problems are, but they are not asking us. They are giving you ideas about things they have never actually done themselves.'

A number did say they were asked their opinion but it was usually after a decision had been made or a policy had been implemented, never before. CH, a supervisor, was asked if she had been consulted on strategic policy issues:

'Major changes? No we're normally the last to know if there's anything particularly large. There's been quite a few major changes in the department which have just been imposed on us really. We've had no say at all.'

JW, a middle manager, endorsed this view:

'The way things have been working of late, there have been so many decisions made by senior management, not necessarily within the department, which have reversed

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earlier decisions. Sometimes there must be doubt, does everybody know what they're doing? Its difficult to manage when you have a redirection policy statement coming out once a month, and you're doing a reversal of what you have been doing up till then. Its very difficult.'

There were a number of interesting examples given by managers and employees of failure to consult them by senior management leading to poor outcomes. SC, a supervisor, relates how it was decided to move from a site at Kersley to Salford without consultation:

'The idea was that we'd all be housed in one unit at Salford but its not big enough to take it all and it was pointed out by people on the floor before the move took place that you can't do this. It won't fit. And sure enough the move's taken place and Kersley's still open with the residue of our work still up there which we were unable to slot in. They've tried to lease half the building and what we've been saying for some time is we want to put some racking back to store work on and nothing's happened. Somebody's interested now to move in (take up the lease) and we're going to have to move now, with overtime and all the rest of it to rack out half that we're going to fit. All this was mentioned a long time ago. So if people had listened to what was coming off the floor we'd have been in a good position now. Instead its going to be a bit of a shambles.'

DN, a manager in charge of the mailing, printing and plastic credit cards division had spent a considerable number of years reorganising his department and when it was decided to move from Skelmersdale to Salford he was not consulted but merely told by his boss the day before he went on holiday. This would mean dealing with staff reluctant to move from one site to another as a longer journey would be involved for many of them.

Over the next two years he developed the site and even had a special bank vault installed to store the plastic cards only to be told that the production of these would be outsourced to an independent company in Southend. The bank vault door remains permanently open and stores files! As DN ruefully commented:

'Maybe I'm being a bit parochial because I actually designed the room from the ground floor up. I actually had it built to my specifications, including the vault. All the furniture. All the machinery. The work

processes. The layout. The people. Everything was down to me. I was quite proud of it and so I was a bit disappointed when it went.'

Despite these criticisms it must be borne in mind that many staff do feel improvements have been made and that there is a feeling of more involvement, and when contrasted with how not only the Coop Bank, but banks in general were run in the past a feeling of closer relationship has certainly been engendered between staff, supervisors and middle managers. As DC a union representative and archivist clerk commented:

'In banking unfortunately its very slightly 'old school' and the bank manager's image was having a bowler hat and umbrella and briefcase, and that is still, to some degree, the image of banking, but banking is changing so rapidly now that managers are beginning to realise that the workforce is a very important part of the banking system.'

He continued:

'We were under a management who told us nothing and never asked anything. Just implemented changes there and then. Under this management its as though you've got a new job. People are consulted far more and people are actually smiling coming to work nowinstead of skiving for a couple of hours and going hiding because we were bored. Its not a bad department to work in now.'

In conclusion the Cooperative Bank has initiated a number of HRM policies including those concerning issues of information dissemination and workforce participation at both micro and macro levels. The operation of these measures was embarked on enthusiastically and welcomed by most members of staff but the operation of these policies has thrown up many inconsistencies in practice and philosophy and if the culture change is to be successful there has to be a recognition of these weaknesses.

At micro level meetings TQM is practised in a patchy and inconsistent way from department to department. Many no longer hold meetings at all due to work overload, staff shortage, lack of resources generally, lack of training for new staff, the effects of restructuring and confusion of change and the difficulties encountered by shift working, part-time working and other new work practices. In addition contradictory messages are being sent by senior management which say there is a belief in a culture of involvement and participation through the creation of a culture of trust but

is undermined by the policies emphasising restructuring and uncertainty about status and job security. Most damning of all is the lack of firm measures which allow staff to at least receive useful information let alone consultation and participation at macro level. The perceived hostility by the union is also not helpful in a company culture that prided itself on its labour and cooperative historical roots. This does not engender the best forms of continuity or sense of belonging.

Conclusion

We have seen from the evidence presented by the Price Waterhouse Cranfield Project that communication with employees has increased considerably in recent years in both Britain and Sweden as well as in Europe in general. These increases, however, have been predominantly in types of communication and participation which are either in the form of one way channels (top-down) or are rooted very much at a micro (work place) level in the organisation. Strategic (macro level) issues to do with company strategy and finance show very much less involvement of the workforce as one proceeds down the hierarchy particularly to manual and clerical levels. This can be partly explained by a gradual move from old hierarchical and often autocratic systems of management, to more democratic styles. We perceive this change as a cautious process in association with systems which while enhancing efficiency via involvement and commitment of the workforce at micro levels, is much more hesitant at macro levels, which have much more potential to challenge management prerogatives over strategic issues.

The case study comparative evidence revealed that Swedes felt more involved and able to influence decisions over a greater range of issues at micro level than their British counterparts. However, they had much less involvement in questions of a strategic nature, over which management had a greater prerogative in both organisations. While both groups felt adequately informed about a number of strategic issues both felt less informed about proposed changes in their organisations, and yet in a time of uncertainty and change these were the kinds of issues about which employees wanted information, as the open ended question evidence revealed. Staff in both companies, for example, felt inadequately informed about redundancy, particularly in Sparbanken where large scale redundancies were imminent. In the Coop bank considerable use was made of the 'grapevine' which has the potential for enveloping information with rumour and creating climates of uncertainty, not the best atmosphere in which to effect change.

As was predicted managers in both organisations perceived greater involvement and participation of the workforce than non-management, although once again both Swedish management and non-management felt greater involvement than their British counterparts. In addition the 'credibility gap' was considerably wider between British management and non-management, reflecting a strong 'them and us' attitude, which was endorsed in the interviews.

While staff in Sparbanken expressed feelings of involvement and participation in their day to day work, there was a high degree of anxiety generated through a lack of knowledge concerning important strategic changes. This reflected a move from a 'softer' people centred style to a 'harder' change centred style of management which was driven by economic circumstances.

Employee participation at micro level is encouraged through HRM initiatives but not encouraged at macro levels particularly via the unions, although the degree and quality of participation differs in Sweden and UK as a result of cultural influences and practices, and institutional structures bolstered by legal requirements.

In our concluding chapter we will attempt to contextualise these findings and provide some answers to our hypotheses via the Poole framework of participation.

Chapter 8

Conclusion

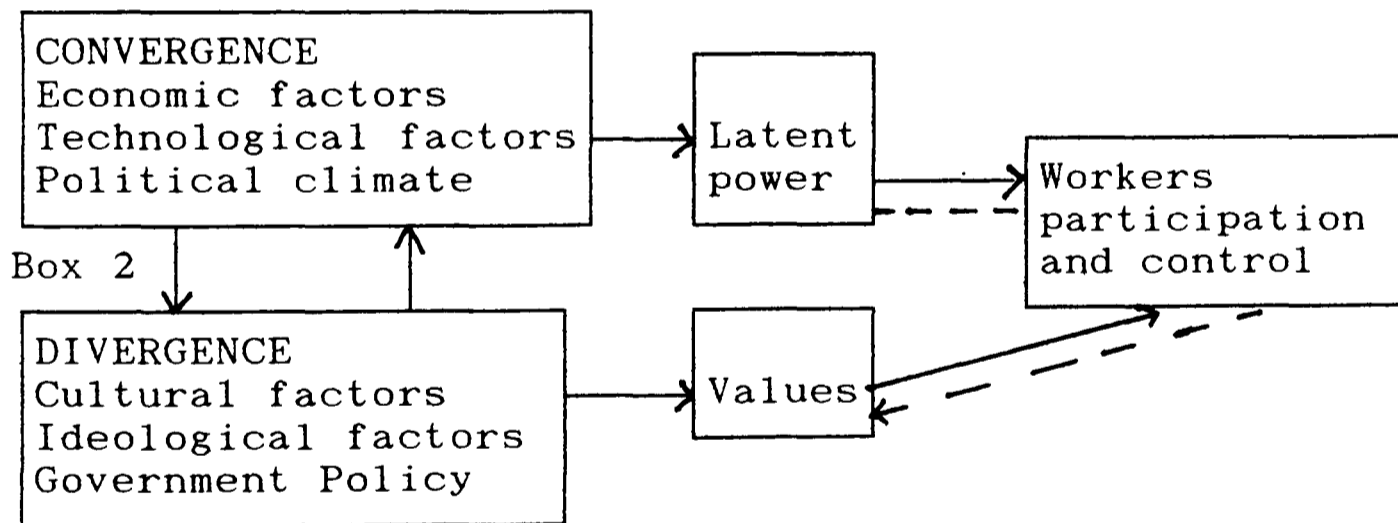
In this final chapter we shall bring together the evidence generated by the Price Waterhouse Cranfield Survey, the case studies and current literature related to management, human research management and employee participation in Britain and Sweden. We will also use the Poole Framework of Participation as a means of analysing the influence of a range of variables on the degree of autonomy afforded in forms of employee participation. This knowledge will enable us to examine the plausibility of the four hypotheses posed earlier in the work.

As we have noted in chapter two Poole sees worker's participation and control as being understood as a specific manifestation of power. This is linked with "underlying or latent power resources and a series of values which either buttress particular power distributions or facilitate their successful challenge" (Poole, 1986: 28).

Fig. 8.1

Adaption of Poole's Basic Explanatory Framework of Participation

Box 1



Source: Poole, 1986:29.

As we noted earlier Poole postulates "that workers' participation and control are reflections of the latent power of particular industrial classes, parties or groups and the 'value' climate which may or may not be favourable to participation experiments." The principal structural factors which influence the degree of latent power are economic factors, technological factors and the prevailing international political climate (Box 1 factors). The values

themselves are in turn influenced by indigenous cultural and ideological factors, to which we have added government policy (Box 2 factors) (Poole, 1986:28). Each group of factors interact to produce a climate of values and latent power of the interested groups which in turn affect the outcomes of workers' participation and control.

As we have noted in chapter three these two box factors can also be seen in terms of convergent and divergent influences. Economic factors, technological factors and government action acting as convergent forces, and cultural and ideological factors and government policy acting as divergent forces. We will also use these dimensions to examine our original hypotheses.

Hypothesis One

That Swedes are allowed greater 'real' participation in their work place than the British. This has roots in the cultural and ideological differences of the two societies.

This hypothesis is rooted in the divergence factors (box 2) posed in Poole's model, ideological and cultural differences and government policy, and in chapter four we noted that Sweden's values were rooted in social democratic principles, social welfarism, full employment and consensus. Predominant British ideological values are in marked contrast in the sense that Britain has been perceived as a conservative society with a much more overt and conflictual class structure than in Sweden. These differences have been underscored, it can be argued, by 'new' ideological influences of neo-liberalism which eschews consensus and bolsters individual, as opposed to community values. Swedish ideological values would seem to sit more comfortably with a work ethic which promotes a style of employee involvement and participation which emphasises responsibilities to the group (and society) and seeks consensual solutions where possible.

Douglas and Douglas (1989) have examined the industrial relations systems of Sweden and Britain from the viewpoint of social anthropologists, finding Britain to be more adversarial and Sweden more consensual which primarily emanates from differing perceptions of freedom - i.e. 'freedom from' for example oppression in Britain (a negative freedom), and 'freedom to' for example take control in Sweden (a positive freedom). The British style would therefore seem to be much more at odds with conceptions emanating from the prescriptive management literature on employee participation.

In cultural terms Hofstede (1984:209) found that "Britain and Sweden greatly differed on the masculine dimension, the only dimension which sharply separates the Nordic from the Anglo countries." This he sees reflected in the way each country handles industrial conflict issues, which in Sweden tend to be resolved by dialogue, and in Britain by strife. On Trompenaars seven dimensions Britain and Sweden differed only on the inner-outer directed dimension. This is related strongly to the individualist dimension. Inner directed societies place a great deal of emphasis on the inner powers and potential of the individual rather than outer directed values, which point toward external entities such as the community or work team. In inner directed cultures individuals are likely to see competition as more effective than cooperation or collusion (Hampden-Turner and Trompenaars, 1994:71). This inner directed dimension also helps to give a better understanding of the differences in individualism between the two countries.

The greatest differentiation between Britain and Sweden, according to Laurent's (1986) investigations on how managers view the organisation, was as a formal system, with British managers seeing it more formally than their Swedish counterparts. In Hall's (1976) high and low context dimension we find Britain a relatively high context country and Sweden a relatively low one. This accords with Laurent's view that British managers place a high premium on interpersonal links such as networking, socialisation at work and how they are perceived personally, and that, for example, creating the 'right image' is important. In an essentially individualist and inner directed culture this could be somewhat at odds with forms employee participation which tends to emphasise the collectivity of the group, in the sense that individual goals could clash with those of the group.

While the work of Hofstede, Trompenaars and Laurent found few differences in British and Swedish work related values, they acknowledge that the global scale of their work prevents the detailed differences from emerging clearly. We thus examined qualitative evidence to search further for explanations of cultural differences.

The work of a number of observers of Swedish employee relations and management style tend to hold the view that the Swedish codeterminational structure is more inclined to a consultative style of management and consistent with forms of industrial democracy and worker participation (Lawrence and Spybey, 1986:50; Durcan and Kirkbride, 1994:36). This too has found its reflection at micro level in terms of

involved team work styles as exemplified by experiments in Saab Skania and Volvo (Rehder, 1994). By contrast we have a report in the UK commenting on "a lack of understanding and trust between management and labour, which leads to disagreement on subjects where the material interest of both sides would be better served by agreement" (P.E.P., 1966:290). Although this is a 30 year old report and there is little doubt that managerial attitudes towards employees have changed, particularly in the last 10 years (Millward and Stevens, 1986; Millward et al, 1992; Storey, 1992; Price Waterhouse House Cranfield Reports, 1990, 1991), a strong thread of adversariality lies beneath the surface of British industrial relations which still surfaces from time to time (for example rail, postal, teachers and nurses disputes in 1995) even within a depressed economic climate where unions are defensive and relatively weak.

We must also note that the Conservative neo-liberalist governments from 1979 have strongly opposed any employee participation legislation such as exist in Sweden, and implacably oppose the EU directives on works councils and other forms of legal compunction in this arena. The acceptable face of employee participation is within a voluntarist context usually associated with forms of HRM or management of change initiatives, and has been described as merely consultative at best but a more accurate description would be "sophisticated paternalism" (Goldsmith and Clutterbuck, 1984; Edwards, 1987).

Swedish management style has also undergone change and has been influenced by the increasing uncertainties of global competition. Edström et al (1985) have noted the move towards a style of leadership which emphasises the need to face challenges and take risks. According to Beckérus (1988) this "change centred style" of management stresses the knowledge and experience of employees as important which would readily fit the ideological and cultural paradigm of a Swedish involved style of management.

In the literature we noted that attempts at clustering national management styles tend to place Britain and Sweden into different groups. Britain generally being placed with the USA and British Commonwealth nations such as Australia, Canada and New Zealand. This Anglo-American grouping occurs in other studies and emphasises a thrusting entrepreneurial individualism. Sweden is frequently placed in a Scandinavian or Nordic block in which values of success and belonging are stressed and success will be partly measured as collective in the quality of human relationships and the living environment (Hofstede, 1984; Trompenaars, 1993; Altman, 1993; Durcan and Kirkbride, 1994).

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Invariably attempts at defining a national style of management will hinge very much on generalisation, and while it would seem that the literature supports the view that the Swedes have a more involved style of management than the British, which would be more likely to be articulated in greater employee participation, we must now examine whether our research also supports the hypothesis.

The Price Waterhouse Cranfield Project (PWC) gives a broad indication of the relative strengths of employee involvement at national and sectoral levels in the workplace in Britain and Sweden. We have already noted that the most significant traditional way of employee participation is through union representation. The PWC data shown in chapter 7 indicates a much higher union density in Sweden than in Britain at both national and banking and finance sectoral levels, but the Swedish and British banking and finance sectors are comparatively lower than each country's national average union density. The Swedish union density is still far higher than the British in the banking and finance sector. The PWC data also showed a greater decline in the influence of trade unions in the workplace in Britain than in Sweden. After 1990 Sweden too was showing signs of relative decline, though not to such an extent as that of Britain over the three survey years.

Clearly employee participation in terms of union density and union influence are greater in Sweden and this was also reflected in the data indicating the relative decline in representation through staff bodies. In Sweden this had not declined, whereas in the UK this registered a considerable decline.

Both countries have experienced large increases in communication both written and verbally, though when it comes to briefing staff about strategic and financial issues both countries indicate a huge decline as one descends the organisational hierarchy, although there was much less of a slope in Sweden indicated in the PWC 1992 data (Brewster and Hegewisch, 1994).

In scrutinising methods by which employees communicate their views to management there is little difference between the two countries in that the most popular method is by employees' immediate superior. But there were striking differences when considering the same upward communication via trade unions and works councils, showing Sweden as more participative and consultative via these channels. This is not unexpected given the Swedish legal requirements of codetermination to consult employees, in contrast to the

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voluntarist approach in UK. The surprising finding was that Sweden used work force meetings significantly less than the UK, and would seem to contradict other evidence both in the literature and in our case study survey. Where Sweden was considerably higher was in the use of suggestion schemes and attitude surveys.

The case study material attested both statistically and qualitatively that Swedes felt they had a greater involvement than their British counterparts on many workplace issues. However, both research cohorts in Sparbanken and the Cooperative Bank felt they had less than average influence over a majority issues. Table 7.12 indicates that Swedes felt high involvement in six of the 15 issues indicated in the questionnaire, and the British felt high involvement in only three. The Swedes felt low involvement in 6 issues and the British in 8 issues.

Similar findings emerged from the second questionnaire which dealt with perceptions of involvement between managers and non-managers. Table 7.18 indicates that both the Swedish management and non-management group felt greater involvement than their British counterparts and Swedish managers felt their employees had high involvement on 9 of the 17 issues whereas Swedish non-managers felt high involvement on 6 issues. By contrast British managers felt that their employees had high involvement on 4 issues and the non-managers felt high involvement on none.

In turning to the qualitative data the Swedish interviewees tended to confirm the findings from the questionnaire that they felt a reasonably high level of involvement in work based issues. By contrast the Cooperative Bank interviewees tended to feel less involved even after an extensive TQM programme had been introduced. Similarities of feeling between British and Swedes were registered on Macro level issues where both cohorts felt a lack of involvement on most issues, again which appeared in the questionnaire and interview data, but these concerns we will explore more fully in examining the fourth hypothesis.

In examining the first half of hypothesis one that "Swedes allowed greater 'real' participation in their work place than the British" is palpably demonstrated by the comparative survey data from the questionnaires and the interviews, and generally supported by the literature concerned with Swedish and British work related values. In virtually all issues examined the Swedes felt they had more involvement than the British, and this was true of employees as well as managers. The interview material, to some degree, supported the view that Swedes feel more consultation and

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involvement in workplace issues and that consensual solutions should be sought where at all possible. This was supported by the collective value system engendered in school life since the 1960s.

This leads us to the second half of the hypothesis which states that "this has roots in the cultural and ideological differences of the two societies." When necessary Swedish employees will allow more power to management if they understand that management will negate totally their (and their representative's) power. Thus, although considerable numbers of employees were made redundant in Sparbanken (a traumatic experience for all), it was deemed necessary to solve the company's and the country's economic problems, as the post redundancy interview with the Swedish Banking and Finance Union official, Helena Hammar, revealed. In return for employee compliance in these procedures the "Golden Handshake" agreement would protect the union position and maintain mechanisms for further negotiations towards a consensus position which would not be mutually destructive.

In Britain despite the introduction of the TQM scheme with a large commitment to training enthusiastically welcomed by the workforce, employees still felt less involved in issues than the Swedes. A "them and us" attitude was still highly prevalent despite attempts at culture change via the TQM programme and other policies, and it was apparent that a wide gulf existed between senior management and the workplace. This "them and us" attitude can be equated with the conflictual mode of industrial relations described by Douglas and Douglas (1989), in the sense that an outward compliance masks feelings of non-involvement by 'them' (top management) who are not to be trusted and in turn do not trust their employees. This 'low trust' culture exhibits resistance by employees where and when feasible and is most likely to find outlet either via the union or more increasingly in a veiled personal manner befitting an increasingly individualised work environment in which the employee presents an outward appearance of cooperation until, as one interviewee stated, "another job comes up." These are not the most conducive conditions for employee commitment.

The evidence from the literature, the Price Waterhouse Cranfield Project and the Case Studies would seem to confirm the hypothesis that Swedes are allowed greater 'real' participation in the workplace than the British and is rooted in cultural values; but as we shall see from examining the following three hypotheses this is a somewhat simplistic view of the complex processes of participation.

Hypotheses Two and Three

Hypotheses two and three overlap considerably and we shall consider them together. These stated:

Hypothesis Two

That the capitalist drive for profit will negate the participatory process and override such mechanisms if it is felt by management to be necessary for survival.

Hypothesis Three

That given the nature of capitalist organisations any challenge to the power prerogatives of management (particularly senior management) by the workforce will be resisted and negated.

These hypotheses are rooted in box 2 of Poole's framework which include convergent forces such as economic, technical and political (government action) factors. These convergent forces act as influences on and responses to global changes. The world economic down swing in the early 1990s acted as a focal point for these changes and the more benign climate in the expansionist 1980s, gave way to an atmosphere of retrenchment in the 1990s where a more proactively aggressive autocratic supervisory style emerged summed up by the epithet "macho management." Such an approach reinforces the managerial prerogative and does not sit easily with employee participation and involvement.

The decline in Swedish exports and the growing intensity of overseas trade led to much "belt tightening." Companies looked to leaner and fitter operations, and this often led to considerable redundancies and large scale restructuring operations. This was no where more intense than in the banking and finance sectors of both countries, described in depth in chapter five. This 'restructuring' process was further influenced by the long term effects of new technology which had been introduced into the banking sector gradually from the 1960s, growing in intensity with each phase of development and implementation. It had long been predicted that the effects of new technology could be far reaching in terms of restructuring the organisation and reconstituting roles and functions in the banking sector.

The boom following deregulation in the mid 1980s masked these underlying changes but when the banking crisis began

in earnest in the 1990s the influences of new technology and recession converged in a devastating way. The new HRM messages urging trust between employers and employees to enhance commitment and improve performance were to a great extent undermined by redundancy and the climate of fear which was being engendered in the attempt to return to profitability. In Britain these contradictions were seized upon by the union (BIFU) to emphasise the hypocrisy of management and confirm suspicions about the new managerialism embodied in such initiatives as HRM.

In chapter four we noted the political shift to the right in the 1980s and 1990s in both political and economic terms which had a fundamental impact on government policy in both Britain and Sweden. The Social Democratic government under Carlsson in the 1980s was forced, by changing world pressures to adopt a more neo-liberalist stance in its policies, and these were more enthusiastically continued under the Conservative coalition led by Bildt (1991-1993), and continued again under Carlsson and the Social Democrats from 1993. In reality this meant privatisation, tax cuts and reductions in public expenditure, as well reducing welfare benefits and weakening employee rights.

In Britain the Tory governments under Mrs. Thatcher came to embody much of this rightward shift which witnessed market deregulation, particularly in the labour market, and a plethora of legislation undermining union and employee rights. This also marked a strong shift in the balance of power between employer and employee so that employers regained "the right to manage." This was however, tempered by the growing recognition amongst employers, particularly through the 'new' management literature, that employees are the company's greatest asset and their energies and creativities should be fully harnessed, and human resource management techniques including forms of employee participation should be adopted to actuate these ideas.

In Sweden convergent forces have impacted on managerial practice in what Ekvall and Arvonen (1989) call a move from an "employee centred style" to a "change centred style." We have also noted that Swedish employers have asserted their "right to manage" with the consequent view by some that the 'Swedish Model' has expired (De Geer, 1992), although others take the view that the obituary is somewhat premature (Kjellberg, 1992). There have also been moves towards deregulation, greater flexibilities and decentralisation encouraged by government policy and legislation to decrease organised labour's influence (Price Waterhouse Cranfield Reports 1990, 1991; Forsberg and Holden, 1990). In addition the practices of human resource management have increased

individualisation and decollectivisation of the employment relationship.

In Britain the individualist culture has been much more conducive to the acceptance of HRM initiatives such as performance related pay, personal contracts and the deregulation of the employment relationship. Resistance had been weakened by the declining influence of trade unions as clearly shown by the Price Waterhouse Cranfield Project (PWC) data in chapter seven. Decline in the traditional sectors of unionisation, the effects of government legislation and several defeats of formerly militant unions had reduced the power of trade unions in the teeth of these changes. Increased direct communications to the workforce is another managerial policy which some critics claim has been used to undermine union influence, and this trend for whatever reason, has been shown by the PWC data to have increased European wide.

Within our case study organisations these influences were powerful. Both organisations suffered considerably from the recession and the banking crisis, both organisations made considerable losses, particularly the Sparbanken parent company. In attempting to counter this situation large scale job losses, redundancies and restructuring were undertaken. Sparbanken's measures were the most dramatic and far reaching in their effects on the workforce, due to the particular severity of the Swedish banking crisis. Many employees lost jobs, others were relocated into other functions or geographical locations and large scale restructuring on a national scale was implemented. Under Swedish codetermination law it is compulsory for employees to be consulted, via their representatives, in important policy decisions involving the workforce. This has often been weighted in favour of employers, particularly in difficult times when the latent power of the workforce has been weakened. This can clearly be seen to have been the case in the Sparbanken restructuring exercise. The major decisions were taken at senior management level and the unions, in a minority on the company board, were forced to accept the situation. Even information directed at the workforce was limited, and this was a workforce which clearly felt considerable insecurity and even fear in their state of ignorance. Clearly the informational, let alone the consultational and decisional processes, did not percolate down to employees, and were highly restricted for the unions at macro level.

Interestingly, the employees in the UK had a greater indirect influence on macro decisions: partly due to a willingness to oppose management decisions via a strong

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union presence. This resistance was potent in the early 1990s, before the banking crisis began to bite deep. At this stage the union was able to invoke a previous agreement which prevented redundancies. Job losses therefore took place through natural wastage, early retirement and other 'benign' measures. The perception of union representatives, however, was that management resented this encroachment on their "right to manage" and when the economic situation worsened in the banking sector, and the bank itself came under increasing financial pressure in 1991-1992, the management began to follow, in the words of a union official, a much more "macho management style."

In addition the research showed how these retrenchment exercises acted negatively on the employee participation process. Team briefs and team meetings to discuss quality dramatically reduced in the Cooperative Bank: the major reason given being not a disillusionment with employee participation processes or TQM but that line managers and supervisors felt they did not have time. They were too busy keeping up with work targets because the downsizing processes had left each employee having to perform the functions carried out by two or three people previously. This was the most common reason given for the non-functioning of employee participation mechanisms, and is directly linked to attempts to improve profitability.

At a macro level the organisational culture of the Cooperative Bank, rooted in high unionisation and the labour movement, clashed with the perceived necessity to reduce the power of the union to hinder the managerial prerogative. It was obvious to the unions that loyalties to the labour movement would always be very much a secondary consideration in the drive for survival and the need to generate profits. Part of the management ploy, certainly as perceived by the unions, was to use HRM as a means of effecting a reduction in union power.

It would seem that these hypotheses have been supported by the evidence produced by this research. Profit loss and decline in market size seems to have lead senior management into a reactive and negative macho management style which has lost faith with the aims and objectives of employee participation as a means by which the organisation can be made more effective. The initial response to the crisis was to implement a number of regressive measures aligned to a defensive posture which belies openness and trust in which systems of employee participation need to survive and flourish.

Hypothesis Four

That HRM techniques of employee participation are used mainly at a micro (workplace) level in the organisation as they can be safely distanced from any strategic decision making.

Our in-depth research in chapter seven divided forms of employee participation into those operating at macro and micro levels. At micro level the evidence from both the PWC data and other studies show an increase in schemes to involve the workforce with increased communication and dissemination of information and an increase in team briefings and culture change schemes such as TQM. Such direct employee involvement schemes have been in operation in many Swedish companies for a considerable period, although our case study indicates these initiatives were introduced into Sparbanken only in the 1980s. Our research clearly shows that Swedes feel more involved in these micro level practices than their British counterparts in the Cooperative Bank, although some members of both research cohorts expressed a desire for considerable participation and involvement. We saw that in practice, some employees in both organisations felt that more could be done to improve participation by holding more regular meetings, but this was much more pronounced in the British Bank. Despite the fact that a considerable sum of money had been spent on TQM training, 18 months to two years after the scheme had been introduced many employees felt that it was not working in the way envisaged. Meetings were irregular because of a lack of time due to pressure of work, as a result of delayering and restructuring to meet performance targets. In other words the demands and pressures of one part of the organisation were negating the practices of another. This contradiction was felt strongly by much of the workforce, many of whom had welcomed the scheme when first introduced.

In Sparbanken much more contentment was expressed with forms of employee participation at micro level, but concern and even fear had been generated by the lack of information at macro level, in the restructuring exercise involving large scale redundancy and redeployment. This uncertainty affected managers as well as staff. The PWC data also showed clearly that strategic issues are communicated less at the lower levels of the organisation. Despite in situ laws of codetermination the feeling of involvement and participation were shown by our research to be much less on strategic issues. Other observers of the Swedish industrial relations scene have frequently noted how codetermination negotiations are often weighted in favour of management, who control the organisational information and the channels by which it is

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distributed, and have a greater representation on the board than the employees and their representatives (Korpi, 1981; Edlund and Nyström, 1988; Fulcher, 1991).

In the Cooperative Bank we have seen how the unions have felt undermined despite the traditional labour connections of the organisation. HRM was seen initially by BIFU as a management initiative to undermine union presence via TQM, the staff council and increased forms of communication. These, it appears, were introduced very much on management terms. While unionisation remains high in the Cooperative Bank, staff feel that its influence has declined in the past two or three years in the wake of several severe industrial disputes.

We saw that HRM policies were on the increase in both organisations; a trend shown clearly in the PWC data across Europe, as well as in Britain and Sweden. In the Cooperative Bank there had been a conscious policy to introduce HRM style policies in response to commercial pressures and competition in the 1980s and this can be said to be true in Sparbanken in the same period, although these were not formulated into a conscious HRM strategy, as in the British bank. By the 1990s with the increased severity of recession these policies were progressively perceived by the union in the Cooperative Bank as a means to undermine their bargaining position and to reduce and control macro forms of employee representation. The main thrust of HRM policies of employee participation was via the TQM scheme which operated very much at a departmental (micro) level and which mostly acted as a disseminator of macro level information through team briefings and other meetings. While employees could influence to some degree the policy and operations of their workplace the TQM channels did not act, according to employees, as an effective feedback channel to the upper realms of the organisation. This left many employees feeling emasculated from not only decision making and consultational processes but feeling deprived of information pertaining to themselves and their department.

In Sparbanken HRM policies such as team meetings and increases in forms of employee communication had grown in popularity throughout the 1980s, but like their British counterparts the Swedes did not perceive them to be conduits for influence at macro level. They were seen very much as micro level mechanisms by the workforce, and the codeterminational system was viewed as the main communication channel to the strategic levels of the organisation. HRM initiatives are on the increase in Sweden and while the consensus culture survives there is a possibility that individual managerial policies situated in

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HRM may undermine collective forms of employee participation, a view posited by Cressey (1992). However, whether the strength of the Swedish culture of consensus will negate these trends towards the individualisation of workplace practices remains uncertain.

The research findings would suggest that the proposed hypothesis was supported in that HRM techniques of employee participation are used mainly at macro level in the organisation and that such E.I. measures can be safely distanced from strategic decision making. However, deeper analysis would also suggest that this conclusion is somewhat simplistic. We need to look more closely at how employee participation measures are bound up with human resource management policies, and given the large ambit of the subject this would form another research project in itself. Interviews with senior management in both banks, however, were conducted after they had read the initial conclusions of the research, and while agreeing with some of our findings their view was that the HRM retrenchment policies implemented at the time of the banking crisis were not consciously enacted to undermine macro employee participation mechanisms. While the word 'consciously' is open to considerable subjective interpretation we would argue that the actual effects i.e. as perceived by the unions and the majority of employees was that they both felt emasculated from being able to air their concerns to senior levels of management, and that it would naturally follow from these perceptions that they had little or no say in the actual decision making. The two elements which prevented the total denial of employee opinion was the relatively large strength of the Swedish and British unions in each bank and the support of the codeterminational laws in Sweden and the inherent labour culture in the Cooperative bank. But even these influences were overridden by the necessity to act in the face of adversity.

Conclusion

At this point it is necessary to draw the strands of the work together and to come to some overall conclusions. We began by examining the employee participation process through the Poole framework, to which we made some adaptations (Fig 8.1). The economic and technological factors and government action we called box 1 and identified as convergent factors. Factors which would cause similarities of degrees of employees' latent power between each country. In the second box was situated cultural and ideological factors to which we added government policy, and called

divergent factors. These factors influenced the values of indigenous employees, which in turn would affect the outcomes of the strength of employee participation and control in each national setting.

These convergent and divergent factors create the similarities and the differences in the way employee participation is enacted in each national context. Using this framework we conducted a literature search and brought together the findings of two research projects, one a large scale quantitative survey (PWC Project) and the other involving two case studies (Sparbanken and the Cooperative Bank) in two different national settings in the banking and finance sector. This would give us the opportunity to examine comparative employee participation via a macro and micro piece of research using the revised Poole framework as an instrument of analysis.

In examining the Box 1 factors we noted powerful forces for convergence operating on organisations: the effects of global developments such the spread of new technology, the banking crisis, world recession and a general shift towards neo-liberalist economic and political policy. It can be argued that this has produced similar influences on the structure and employment policies within organisations. This included downsizing, delayering, restructuring, the introduction of flexible work forms and the devolvement of responsibilities to the line.

Some writers regard these developments within human resource management and industrial relations as conforming to Kerr at al's (1960) convergent theory of industrialisation rooted in modernism, and some recent studies have given some support to this view (Mueller and Purcell, 1992; Sparrow, Schuller and Jackson, 1994). The strength of these forces, we posited in hypotheses two and three, would have the effect of overriding the original aims and objectives of employee participation schemes if it was felt necessary for organisational survival. The turbulence experienced by the banking sector in the 1990s provided the prerequisite conditions for not only policy and procedural changes but remarkably different interpretations of them. Thus Sparbanken senior management adhered to the legal requirements of the codeterminational laws but its interpretation was very much to its advantage particularly in a climate when union strength was at a relatively low ebb. This would conform to the view that control and power over strategic policy (hypothesis four) is essentially a managerial prerogative. As Kochan and Dyer (1993:583) state "...managers are under competing pressures from inside and outside the firm, and there is no reason to believe that

employee and human resource considerations will tend to prevail in their strategic decision making and day to day actions." This was undoubtedly the case in the Swedish and British bank in the years 1991 to 1993 when the research was conducted.

In examining the Box 2 factors we noted that culture and ideology operate a divergent influence on the employment relationship. In Chapter Three we argued that cultural differences will always ensure a divergence in the practical measures used to solve managerial problems. Equally, ideology, in its widest sense, also exerts a strong influence, although, to a certain extent, culture and national ideology are intertwined. By examining the literature on culture we saw that in Sweden certain cultural traits and work related values have a strong impact on policy. Thus while there has been a shift to the right in Sweden the idea of consensus remains strong, albeit in a watered down form and reliant on the good graces of the Social Democratic Party and the unions. There is also a strong influence of egalitarianism and commitment to the community which is underscored by the welfare state. Despite reforms to the welfare system and the introduction of greater market deregulation and privatisation, the underlying values remain. However, other recent research into aspects of comparative HRM has emphasised that some policies are more culture sensitive than others. Easterby-Smith et al (1995:55) in a study comparing HRM in Chinese and UK companies propose that certain types of policy and practice are very similar but others are quite different. They conclude that the main differences appear in the 'softer' areas where relationships are important and this we would suggest would include employee participation.

The research findings in one sense pose a paradox of participation. UK and Swedish employees have different attitudes to work, which are rooted in cultural values and national ideologies, and which in turn influence managerial and employee perceptions of their power to affect decisions in the organisation. Thus while the British macro experience shows that the union had more influence, it is an influence rooted in a cultural and ideological tradition of class tension, which does not sit well with the unitarist messages of human resource management and related employee involvement schemes i.e. policies expounding employee commitment and trust. In another sense the British experience again shows the propensity towards short-termism which is much more directed towards immediate profitability even at the expense of disrupting HRM policies, such as the TQM programme, rooted in long term culture change initiatives.

The Swedes take a more long term view of the organisation and one could argue that this sits much more comfortably with an HRM philosophy which is concerned with building trust between employers and employees through a process of consensus, a view echoed by Guest (1990).

However, it is clear from the research that employee participation has considerable limitations placed on it by other concerns of management in terms of survival, profitability, and the climate in which these policies operate both ideologically and politically. Thus the "latent power" of employee participation shifts with the changing tide of events and the cultural and ideological filters through which management perceive their power relationship with employees and their representatives.

In essence it seems that there is a contradiction in what employers and managers want from employee participation and what they are prepared to allow the workforce in terms of empowerment and control. In ideological terms the control of the organisation rests in the hands of the upper realms of the hierarchy (either the board or the senior management team) and there will be resistance to attempts to extend significant power to workers lower down the organisation. Thus the concept of "industrial democracy" per se is perceived as a power challenge even in societies which allow considerable autonomy to the workforce and have in situ sophisticated structures of co-determination such as those which exist in Sweden. This power 'balance' will also shift with changing economic and political climates and management will allow considerably more concessions in times of labour shortage than in times of recession when worker power is much weaker.

The concepts of 'empowerment' and 'employee influence' pose a paradox for management. In the case studies examined management in each organisation recognised the potentialities of employee participation in enhancing employee efficiency but were also aware that it raises serious questions as to how much power to extend to the workforce without undermining their own prerogatives such as the control and direction of company policy. In many ways it points to the view that even in Swedish organisations forms of participation are still far from a situation where the employees have a real voice (collective or otherwise) over their own destinies. The British cohort acknowledged that they had less democracy in the workplace than in the world of politics; and even though Sparbanken employees thought that equal amounts of democracy existed in the work place as in the world of politics, their reactions to the company

strategy to deal with the banking crisis revealed a myriad of emotions ranging from fear through to shock - sentiments which echoed feelings of alienation from decisional processes. Thus it would seem that trust in employees to act in the company interest has not been accepted by management despite the rhetoric behind employee motivational schemes. Tensions created by external influences will often override mechanisms designed to enhance employee motivation thus still remains a problem and one central to the debate in HRM.

The recent association of employee participation with HRM and culture change initiatives have given it a much different flavour from past initiatives associated with union representation, joint consultative committees and other methods associated with the 'old' concept of industrial democracy. Employee participation is initially seen by management as a motivator through empowerment and thereby, it is hoped, commitment, but conversely it is can also be viewed as another device in the apparatus of control. This study reveals that the policies of employee involvement are viewed by management as a means of gaining the most commitment from the workforce without having to reciprocate fully by limiting the involvement and participatory process to micro level areas. The strength of this involvement will vary from one national context to another influenced by the cultural and ideological values of each society, but with increased globalisation it has become apparent that convergent forces are beginning to play an increasingly preponderant role in the way organisations conduct their HRM policies, including those of employee participation.

Reactions of the Participating Banks to the Research

A draft copy of the thesis was sent to managers in both banks and they were invited to comment on the research findings and conclusions. They were also asked if the thesis proved useful in helping them improve their managerial processes. Shelagh Everett, formerly Employee Relations Manager and now Head of Human Resources at the Cooperative Bank, undertook the reading of the manuscript and she channelled the findings to a number of senior managers who also made comments. Irma Tidlund, formerly Områdeschef (area manager) Sparbanken in Uppsala, now senior manager in the Strategy Department Stockholm, carried out a similar function.

The views of the Cooperative Bank management was that the thesis provided them with an overview of the HR department

within an organisational setting over time and within a national and sectoral context. This enable them to see a broader and more objective picture of the bank.

They were also very interested in the way banking HR operations were carried out in another country as the Cooperative Bank has no subsidiaries abroad. However, they were not sure how they could learn from the Swedish experience.

In operational terms there was a general feeling that the main thrust of the study clearly indicated that employee participation measures were far too one way and that there was a greater need for feedback up the organisational structure so that employees' views could be made known at senior management levels. It was acknowledged that the failure of this feedback mechanism had had a great deal of negative influence on staff morale and that initial feelings of empowerment, involvement and commitment quickly gave way to feelings of cynicism underscored by premonitions that this was just another management initiative which would fall by the wayside.

The feedback blockage was clearly attributed to middle managers particularly at level two (of the new five level structure) who felt inhibited in giving full and frank feedback to their senior managers at level one. This was due to five main reasons:

1. There was an inability by middle managers to adequately express the concerns of employees on lower grades.
2. There was a reticence by middle managers to pass on employee criticism as this could appear to be a criticism of them and their management style. They felt that this may not act favourably when it came to promotion or reward.
3. There was a strong desire to present a favourable picture of operations which would positively reflect on them as managers.
4. Adverse criticism or feedback was perceived as undermining their position and could have negative effects on their career and promotional prospects.
5. As 'gate keeper' of informational channels they felt at least they had some control over the agendas emerging from below and how policy is interpreted from above.

Cooperative Bank senior managers acknowledged that this problem needed to be tackled and there was a need to

reinforce the aims and objectives of the TQM programme. It was also recognised that the plethora of HR initiatives in the past five years combined with attempts at dealing with the banking crisis had often resulted in one policy contradicting another which had caused confusion if not scepticism in the minds of employees. Both employees and managers have not been sure how these policies fit together. According to Everett (1995b) only in the latter half of 1995 have these various initiatives started to come together in the workplace (micro level) to complement and reinforce each other as coherent and congruent practices. In her view the past five years has been a continual learning process in which these E.I. initiatives have had time to gel, in a period of rapid change and uncertainty and organisational restructuring. "It is not surprising that the process has been one involving a high learning curve for all" (Everett, 1995b).

There was a strong defence of Cooperative Bank HRM policies in general although it was acknowledged that there had been a period of considerable conflict with the unions at a period when the bank was uncertain of its survival. Since then relations with the union have improved significantly, and this 'sticky patch' was regarded as necessary.

Irma Tidlund stated that she recognised Sparbanken in the research and felt that it accurately reflected the bank's style and the changes which it had undergone. She and her fellow managers were pleased that it had compared favourably with the British bank in terms of employee participation. She also was interested in how a foreign bank operated and was fascinated to learn about management techniques and style in a British context, even if one gained the view from her that this was an example of how not to conduct management processes.

There was a general view that the thesis conveyed the feelings of uncertainty and apprehension of the staff in a period of turbulence, and that the 'family feeling' which had once been a hallmark of the old Sparbanken had given way to a more corporate business approach, not necessarily better, but appropriate in the changing climate of the banking industry.

Tidlund was reluctant to accept the critical comments of the way that staff had been kept ignorant of the restructuring proposals but acknowledged that it could have been handled better. There was a strong belief that it was up to the unions to perform this process and that management had made attempts to accommodate the union where and when necessary. She also acknowledged that this was not a typically Swedish

situation. She agreed that the implementation of the 'harsh' policies were necessary "but times were hard and now we have returned to a normal style after amalgamation" (Tidlund, 1996).

The Cooperative Bank probably felt they had learned the most from the exercise and were keen, if not anxious to improve their E.I. practices in the light of the thesis findings. One gained the impression from the Swedish feedback that there was still a large reliance on the codeterminational mechanisms, and the voice of employees, at least at macro level, was most effectively channelled through the unions.

Further Proposals for Research

There are a number of key issues which emerge from the research which require consideration. Firstly, in carrying out this study we became increasingly aware of the enormous changes which have taken place in the banking sector in recent years, changes which are affecting many other sectors as well. These can be divided into three basic influences which we have already indicated in chapter 5, fig 5.3: the impact of new technology, restructuring and new work practices. Whilst a number of studies have been undertaken on aspects of these three influences on employee participation many were carried out in the 1980s and their conclusions may well have receded in significance in the turbulent world of recession in the 1990s (Cressey and Williams, 1990; Marchington et al, 1992; IDE, 1993; Gill, 1993). In addition the banking and finance sector has been particularly badly affected in the recent recession and the collective impact of these three forces have yet to be fully worked out.

These three influences (new technology, restructuring, and new work practices) also impact on each other but in separating them out the effect of new technology has grown from a relatively imperceptible influence, to having far reaching consequences, particularly on work practices and organisational structure. In the light of this we would disagree with the IDE (1981, 1993) findings that such contextual issues, do not have an impact on degrees of influence in an organisation. Clearly in the light of recent developments further research is required across a number sectors and countries to challenge this assumption further.

Secondly, restructuring of organisations into more customer oriented entities has impacted considerably on employee participation. There is a greater need to empower employees to take initiatives to deal with customers both internal and

external. This in effect means the rebuilding of a new culture rooted in trust, and at the present time many organisations, particularly in the banking sector, are still learning this lesson. How these processes are progressing will need continual monitoring in the future via research as they have enormous implications for the theory and practice of employee participation, human resource management and management in general.

Closely bound up with these two influences is the implementation of new work policies such as flexible working, TQM, performance pay, training etc. The integration of these human resource management policies has long been acknowledged as being of importance in creating an HRM strategy. Equally vital is the fact that in practice there are glaring contradictions between messages being sent by management in creating and implementing policy. The most obvious one, as this study has illustrated, is the desire to enhance employee commitment through employee participation practices while creating a climate of uncertainty and fear through insecurity generated through policies of redundancy, short term contracts, flexible working etc. Much more research needs to be carried out into these areas of uncertainty. These trends are of course not only confined to Britain and Sweden but to all economies.

In the increased globalisation of world markets there is also a need for comparative projects concerning employee participation (and indeed other HRM issues) to be placed into national settings which contextualise the unique institutional and socio-cultural factors which influence the employment relationship. Addressing these concerns is by no means easy and if we adopt empirical paradigms of research may prove elusive as they are not often open to measurement or statistical rationale. The study of national cultures is problematic and its very interpretation suffers from the prejudicial filters of the researcher's own culture. Nevertheless, while this study has attempted to incorporate an understanding of Swedish and British culture and indicate how it affects the process of employee participation we are aware of its limitations. Reliance on research evidence without an attempt at incorporating cultural values, however, can leave a distorted representation of research findings and the conscious recognition of these factors have been pointed out by a number of prominent researchers in the field of management and related areas (Hofstede, 1984; Trompenaars, 1991; Kirkbride, 1994).

It would also have been instructive to have been able to elicit the views of the most senior management although one suspects that responses projecting the corporate image are

more likely to have been forthcoming. However, as Marchington et al (1992:59) state in the conclusion of their research into employee participation in a number of British companies "there is a danger that the data(can give) the impression of well coordinated and unified managements which plan long term, and develop initiatives with some ultimate goal in mind." The findings from this study clearly indicate the 'fire fighting' nature of managerial policy often acting to solve pressing short term problems to the disadvantage of long term policies based on coherent strategies. This is partly due to the fact that when financial considerations become urgent they will override HRM messages of trust and loyalty inimical to employee participation policies. As Armstrong (1989) has pointed out there is a fundamental contradiction between decentralisation and centralised control which the banking sector now faces. He argues that while HRM and employee participation policies emphasise the devolvement of functional powers to the line, centralised accounting "is likely to subordinate them still further to the management accounting framework" (Armstrong, 1989:156). But as we have stated before perhaps the resolution of these power balances is a continuing part of the managerial process.

A final area which needs urgent examination is to develop the theoretical base of international HRM and the subjects which relate to it and are a part of it, such as employee participation. This will mean delving into other disciplines which have attempted to understand globalisation and its effects. In the post modernist, post fordist, post communist world the emphasis has been very much on the break up of homogeneity and the passing into a phase of fracture, fragmentation and individualisation. In such an atmosphere a renown world leader of the 1980s (Margaret Thatcher) can state that there is no such thing as society. Here we see a move beyond the old Gemeinschaft-Gesellschaft debate of the old captialist-communist world on globalisation into a deconstructed post-modernist world characterised by individualism and separation.

In the world of work new technology has hastened this process by replacing jobs, automating and telecommuting work and this has had no greater impact than in the banking and finance sector where the once certain edifices and symbols of middle class respectability have disappeared in an undignified rush towards restructuring and reification of occupation. The object of this study has been, it is hoped, to throw some light on this process in a comparative context, by illustrating the impact of these global forces on one process - employee participation. The Poole framework links the old comparative industrial relations debates to

Chapter 8: Conclusion

new international HRM controversies, and by borrowing from traditions of global analysis in other disciplines can aid our understanding of HRM in a world context. Further attempts at theorisation must lead into other disciplines of philosophy, sociology, history and economics - areas and disciplines which have attempted theorisation of globalisation. Multinational organisations and world commercial and industrial systems need to be placed in these developed and developing analytical contexts, if we are to further our understanding of these complex issues.

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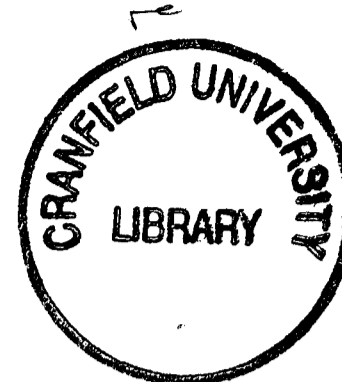
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Volume II

APPENDICES



COOPERATIVE BANK AND SPARBANKEN QUESTIONNAIRE RESULTS

NON-MANAGEMENT EMPLOYEES ONLY (QUESTIONNAIRE 1)

SECTION ONE

1. Please state your occupation in the organisation:

_____ To be coded _____

2. Your grade or title:

_____ To be coded _____

3. Sex

	Sparbanken	Coop
Female =	35 (61%)	63 (65%)
Male =	21 (37%)	32 (33%)
Missing=	1 (2%)	2
Total =	57 (100%)	97 (100%)

4. Age Groupings:

	Sparbanken		Coop	
	Nos.	%	Nos.	%
A. up to 20 years	0	0	10	10
B. 21 to 30 years	26	46	52	54
C. 31 to 40 years	14	25	21	22
D. 41 to 50 years	14	25	10	10
E. 51 to 60 years	3	5	4	4
F. 60 plus years	0	0	0	0
Total	57	(100)	97	(100)

5. Length time working for the company:

	Sparbanken		Coop	
	Nos.	%	Nos.	%
A. less than 6 months	1	2	6	6
B. 6 months to 1 year	0	0	3	3
C. 1 year to 2 years	5	9	6	6
D. 2 years to 5 years	23	40	30	31
E. 5 years to 10 years	9	16	26	27
F. 10 years to 20 years	14	25	19	20
G. above 20 years	5	9	7	7

Appendix 1

6. Levels of Educational Qualifications:

	Sparbanken		Coop	
	Nos.	%	Nos.	%
A. School	36	63	89	92
B. College	39	68	36	37
C. Technical	2	4	6	6
D. Professional	4	7	17	18
E. University	21	37	2	2
F. Post Grad Degree	0	0	0	0
Other	0	0	0	0

7. Training course attended (percentages)

		In the last 6 months		In the last year	In the last 2 years	In the last 5 years
		None				
Comm skills	(Spar)	51	11	9	12	18
	(Coop)	61	6	13	10	9
Inter-pers skills	(Spar)	76	7	5	5	7
	(Coop)	80	5	6	4	4
Group skills	(Spar)	77	5	9	4	5
	(Coop)	78	6	6	4	5
Competence skills	(Spar)	35	32	19	7	7
	(Coop)	87	2	4	2	5
New technology	(Spar)	23	42	16	11	9
	(Coop)	71	17	6	6	0
Effective selling	(Spar)	N/A				
	(Coop)	64	11	9	7	8
T.Q.M.	(Spar)	N/A				
	(Coop)	19	1	17	58	6
Ethical policy	(Spar)	N/A				
	(Coop)	54	19	22	6	0
Other	(Spar)	72	5	5	11	7
	(Coop)	80	8	6	4	1

Appendix 1

SECTION 2

Note - All responses are in percentages

1. I feel most comfortable with decisions about WHAT changes should take place in my job:

	Sparbank	Coop
A. When I am told of the decision.	0	2
B. When I am told of the decision and an explanation is provided.	18	24
C. When my views are solicited.	5	4
D. When my views are solicited and I am able to influence decisions.	58	49
E. When I have equal influence over the decision as my supervisor or manager.	12	13
F. When my colleagues and I can decide for ourselves.	7	8

2. I feel most comfortable with decisions about HOW I carry out my job:

	Sparbanken	Coop
A. When I am told what to do.	0	0
B. When I am told what to do and an explanation is provided.	5	22
C. When my views are solicited .	4	8
D. When my views are solicited and I am able to influence decisions.	67	39
E. When I have equal influence over the decision as my supervisor or manager.	9	22
F. When my colleagues and I can decide for ourselves how the job should be done.	16	9

Appendix 1

3. I feel most comfortable with decisions about WHEN I do my job:

	Sparbanken	Coop
A. When I am told.	0	2
B. When I am told and an explanation is provided.	3	20
C. When my views are solicited .	3	9
D. When my views are solicited and I am able to influence decisions.	67	39
E. When I have equal influence over the decision as my supervisor or manager.	9	16
F. When my colleagues and I can decide for ourselves.	18	14

SECTION III.

Influence which employees have on the following issues.

1. Hours of work (acceptance or rejection of overtime):

	Sparbanken	Coop
A. No influence on the final decision	18	44
B. Hardly any influence compared with management	12	18
C. Less influence than management	42	27
D. About the same influence as management	21	7
E. More influence than management	5	3
Missing	2	1

2. The way in which you carry out your job:

	Sparbanken	Coop
A. No influence on the final decision	2	8
B. Hardly any influence compared with management	11	27
C. Less influence than management	37	35
D. About the same influence as management	40	18
E. More influence than management	11	11
Missing	0	1

Appendix 1

3. The control over earnings through performance related pay schemes:

	Sparbanken	Coop
A. No influence on the final decision	37	58
B. Hardly any influence compared with management	21	22
C. Less influence than management	28	13
D. About the same influence as management	5	4
E. More influence than management	4	1
Missing	5	2

4. The pace at which the work is carried out:

	Sparbanken	Coop
A. No influence on the final decision	7	18
B. Hardly any influence compared with management	12	14
C. Less influence than management	28	28
D. About the same influence as management	28	23
E. More influence than management	18	16
Missing	7	2

5. The comfort of your work environment:

	Sparbanken	Coop
A. No influence on the final decision	0	25
B. Hardly any influence compared with management	14	22
C. Less influence than management	42	32
D. About the same influence as management	32	18
E. More influence than management	7	2
Missing	5	2

6. The hiring of the work force:

	Sparbanken	Coop
A. No influence on the final decision	40	88
B. Hardly any influence compared with management	16	2
C. Less influence than management	35	5
D. About the same influence as management	9	2
E. More influence than management	0	0
Missing	0	3

Appendix 1

7. The firing of the work force:		
	Sparbanken	Coop
A. No influence on the final decision	42	88
B. Hardly any influence compared with management	18	7
C. Less influence than management	28	2
D. About the same influence as management	0	0
E. More influence than management	0	0
Missing	12	3
8. The amount of training for you and your colleagues:		
	Sparbanken	Coop
A. No influence on the final decision	7	35
B. Hardly any influence compared with management	19	31
C. Less influence than management	52	24
D. About the same influence as management	23	8
E. More influence than management	0	0
Missing	0	2
9. The promotion of employees:		
	Sparbanken	Coop
A. No influence on the final decision	54	85
B. Hardly any influence compared with management	24	7
C. Less influence than management	20	5
D. About the same influence as management	2	0
E. More influence than management	0	0
Missing	0	3
10. Budget allocation:		
	Sparbanken	Coop
A. No influence on the final decision	27	87
B. Hardly any influence compared with management	27	10
C. Less influence than management	39	1
D. About the same influence as management	7	0
E. More influence than management	0	0
Missing	0	2
11. The purchase of materials used in your work:		
	Sparbanken	Coop
A. No influence on the final decision	5	51
B. Hardly any influence compared with management	18	20
C. Less influence than management	44	12
D. About the same influence as management	28	14
E. More influence than management	5	2
Missing	0	1

Appendix 1

12. The purchase of new equipment eg computers

	Sparbanken	Coop
A. No influence on the final decision	26	71
B. Hardly any influence compared with management	30	12
C. Less influence than management	33	13
D. About the same influence as management	9	1
E. More influence than management	2	0
Missing	0	2

13. Departmental policy:

	Sparbanken	Coop
A. No influence on the final decision	14	46
B. Hardly any influence compared with management	26	31
C. Less influence than management	44	12
D. About the same influence as management	16	8
E. More influence than management	0	0
Missing	0	2

14. Company policy:

	Sparbanken	Coop
A. No influence on the final decision	51	90
B. Hardly any influence compared with management	33	6
C. Less influence than management	12	2
D. About the same influence as management	4	0
E. More influence than management	0	0
Missing	0	2

15. Health and Safety questions

	Sparbanken	Coop
A. No influence on the final decision	5	36
B. Hardly any influence compared with management	30	19
C. Less influence than management	30	25
D. About the same influence as management	28	19
E. More influence than management	5	0
Missing	2	2

Appendix 1

SECTION IV.

1. Are you aware of the company:

	Sparbanken			Coop Bank		
	YES	NO	Miss	YES	NO	Miss
A. Mission statement	74	16	10	83	13	4
B. Corporate Strategy	79	14	7	33	58	9
C. Financial position	90	10	0	63	32	5
D. Market position	91	7	2	54	41	5
E. Personnel Strategy	72	28	0	32	61	7

2. Do you receive regular information concerning the company's:

	Sparbanken			Coop Bank		
	YES	NO	Miss	YES	NO	Miss
A. Corporate Strategy	72	18	10	23	70	7
B. Financial position	90	8	2	54	41	5
C. Market position	84	12	4	44	51	5
D. Personnel Strategy	70	28	2	27	66	7

3. Are you regularly informed about the following issues:

	Sparbanken			Coop Bank		
	YES	NO	Miss	YES	NO	Miss
A. Training courses	84	14	2	60	38	2
B. Personal development programmes	72	25	3	40	54	6
C. Promotional possibilities	40	53	7	56	39	5
D. Pay bonus schemes	39	56	5	51	43	6
E. Redundancy	58	30	12	57	40	3
F. Recruitment	70	23	7	34	61	5

Appendix 1

4. How are you informed about the above issues? Tick as many as are appropriate:

	Sparbanken	Coop Bank
A. By your immediate superior	83	64
B. By middle management	30	44
C. By senior mangement	32	31
D. By notes or memorandum	77	59
E. By company circular	68	62
F. By company magazine/newspaper	93	42
G. By notice board	12	55
H. By team briefings	42	72
I. By quality circles	4	5
J. By fellow employees	30	58

SPARBANKEN AND COOPERATIVE QUESTIONNAIRE DATA

Management and Non-Management Attitudes (Questionnaire 2)

Respondents:

	Sparbanken	Coop
non - management	(N-M) = 53	89
management	(M) = 14	27
total numbers	= 67	116

Q3. Sex

	Sparbanken		Coop	
	N-M	M	N-M	M
Female	30 (57%)	4 (29%)	56 (63%)	3 (11%)
Male	20 (38%)	10 (71%)	32 (36%)	24 (89%)
Missing	3 (5%)	0	1 (1%)	0
Total	53 (100%)	14 (100%)	89 (100%)	27 (100%)

Q4. Age Cohort

	Sparbanken		Coop	
	N-M	M	N-M	M
Up to 20 yrs	0	0	6 (7%)	0
21 to 30 yrs	25 (47%)	2 (14%)	49 (55%)	4 (15%)
31 to 40 yrs	10 (19%)	2 (14%)	20 (23%)	11 (41%)
41 to 50 yrs	10 (19%)	7 (50%)	10 (11%)	12 (44%)
51 to 60 yrs	6 (11%)	2 (14%)	4 (5%)	0
60+ yrs	0 (0%)	1 (7%)	0	0
Missing	2 (4%)	0 (0%)	0	0

Q5. Length of Time with the Company

	Sparbanken		Coop	
	N-M	M	N-M	M
Less 6 months	1 (2%)	0	5 (6%)	0 (0%)
½ yr to 1 yr	0	0	3 (3%)	1 (4%)
1 to 2 years	5 (9%)	0	3 (3%)	1 (4%)
2 to 5 years	20 (38%)	2 (14%)	21 (24%)	2 (7%)
5 to 10 yrs	8 (15%)	3 (21%)	35 (39%)	4 (15%)
10 to 20 yrs	12 (23%)	2 (14%)	17 (19%)	15 (56%)
20 years +	5 (9%)	7 (50%)	5 (6%)	4 (15%)
Missing	2 (4%)	0	0	0

Appendix 1

Q6. Qualifications

	Sparbanken		Coop	
	N-M	M	N-M	M
School	31 (59%)	5 (36%)	81 (91%)	24 (89%)
College	34 (64%)	8 (57%)	36 (40%)	9 (33%)
Technical	2 (4%)	0	7 (8%)	1 (4%)
Professional	7 (13%)	2 (14%)	18 (20%)	18 (67%)
University	18 (34%)	3 (21%)	1 (1%)	5 (19%)
Post-Graduate degree	0	1 (7%)	0 (0%)	2 (7%)

Q7. Training Courses Attended (Percentages)

	In last 6 months		In last year		In last 2 years		last 5 yrs		None	
	N-M	M	N-M	M	N-M	M	N-M	M	N-M	M
Comm skills (Spar)	50	11	14	8	0	11	14	17	21	53
skills (Coop)	7	37	6	4	8	4	15	22	65	33
Int-per skills (Spar)	14	6	28	8	14	6	21	8	21	73
skills (Coop)	5	30	3	11	6	0	8	37	79	22
Group skills (Spar)	21	8	14	8	21	4	21	6	21	76
skills (Coop)	9	7	3	11	5	11	7	26	76	44
Competce skills (Spar)	21	26	43	17	21	4	14	9	0	43
skills (Coop)	0	7	3	4	3	15	7	15	87	59
Use of Tech. (Spar)	50	42	21	15	7	11	0	9	21	23
(Coop)	11	0	3	7	8	7	2	15	75	70
Effective selling (Spar)	N/A									
(Coop)	7	7	8	7	8	4	14	22	64	59
TQM (Coop only)	1	4	10	15	65	52	9	19	15	11
Ethical policy (Spar)	N/A									
(Coop)	16	19	19	37	3	0	0	0	62	44
Other courses (Spar)	0	2	0	1	0	3	0	1	100	93
(Coop)	10	19	4	7	4	4	2	19	80	51

Appendix 1

SECTION 2

Q1. Do you feel you are part of management?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	45%	0	11%	37%
No	51%	0	88%	63%
Missing	4	0	1	0

Q2. Do you feel you have a part in management planning?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	34%	86%	21%	48%
No	62%	14%	79%	52%
Missing	4%	0	0	0

Q3. Do you feel you are adequately informed of management aims and long term planning?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	74%	86%	38%	48%
No	23%	14%	61%	52%
Missing	3%	0	1%	0

Q4. Open ended. What management information would you like to receive?

Q5. Do you think present information channels are adequate?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	72%	93%	43%	67%
No	19%	7%	53%	33%
Missing	9%	0	4%	0

Q6. Open ended Improvement of present meetings.

Appendix 1

Q7. Is there enough management participation in departmental meetings?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	77%	86%	63%	82%
No	19%	14%	26%	18%
Missing	4%	0	11%	0

Q8. Would you like to participate more in Company planning?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	45%	43%	52%	70%
No	45%	57%	44%	30%
Missing	10%	0	4%	0

Q9. Is your authority (equal) commensurate to your responsibility?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	76%	0	63%	56%
No	21%	0	33%	44%
Missing	3	100	4%	0

Q10. Do you feel free to seek council on special problems related to but not part of your job?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	81%	93%	70%	100%
No	15%	7%	27%	0
Missing	4%	0	3%	0

Q11. Do you feel closer to the people you supervise than to people who supervise you?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	26%	57%	25%	52%
No	15%	7%	46%	44%
Missing	4%	0	29%	4%

Appendix 1

Q12. Are promotions given generally to proper and deserving individuals?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	36%	57%	33%	41%
No	55%	43%	62%	59%
Missing	9%	0	5%	0

Q13. Do you receive proper tools, information and incentives to function as part of management?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	60%	79%	26%	48%
No	30%	14%	56%	52%
Missing	10%	7%	18%	0

Q14. Is cooperation and contact with other departments satisfactory?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	64%	71%	55%	82%
No	36%	29%	44%	18%
Missing	0	0	1%	0

Q15. Does management inform you adequately about the banking industry?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	72%	86%	57%	41%
No	25%	14%	37%	59%
Missing	4%	0	6%	0

Q16. Does management inform you adequately about the company?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	81%	93%	52%	63%
No	17%	7%	45%	37%
Missing	2%	0	3%	0

Appendix 1

Q17. Does management inform you adequately about operating systems?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	79%	71%	54%	78%
No	13%	29%	39%	22%
Missing	8%	0	7%	0

Q18. Does management inform you adequately about the financial position of the bank?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	87%	0%	44%	56%
No	11%	0	52%	44%
Missing	2%	100	4%	0

Q19. Does management inform you adequately about proposed changes?

	Sparbanken		Coop	
	N-M	M	N-M	M
Yes	66%	79%	37%	56%
No	30%	21%	60%	44%
Missing	4	0	3%	0

Q20. Open ended How could your work be made more effective?

INTERVIEW QUESTIONS CO-OPERATIVE BANK

THE FOLLOWING QUESTIONS ARE A GUIDE AND WILL NOT NECESSARILY BE ASKED IN THIS ORDER OR THIS WAY:

1. WHAT IS YOUR EDUCATIONAL BACKGROUND?
2. HOW DO YOU VIEW THE IDEA OF DEMOCRACY?
3. DO YOU THINK THERE IS THE SAME AMOUNT OF DEMOCRACY IN THE WORK PLACE AS IN THE WORLD OF POLITICS?
4. IF NO, WHY NOT?
5. DO YOU THINK IT IS POSSIBLE FOR EMPLOYEES TO HAVE TOTAL CONTROL OVER WORK CONDITIONS, OR IS THIS ONLY AN IDEAL?
6. DO YOU THINK THIS IDEAL IS DESIREABLE?
7. WHAT DO YOU THINK ARE THE ESSENTIAL ELEMENTS OF DEMOCRACY IN THE WORKPLACE?
8. DO YOU THINK EMPLOYEES SHOULD BE CONSULTED IN THE FORMULATION OF WORKPLACE DECISIONS?
9. DO YOU THINK EMPLOYEES SHOULD HAVE CONTROL OVER THEIR WORK? IF YOUR ANSWER IS 'YES', HOW MUCH CONTROL?
10. DO YOU THINK EMPLOYEES SHOULD HAVE MORE REWARDS FOR HAVING MORE RESPONSIBILITIES?
11. DO YOU THINK EMPLOYEES SHOULD HAVE MORE REWARDS FOR BEING MORE PARTICIPATIVE?
12. DO YOU EQUATE PARTICIPATION WITH HAVING MORE RESPONSIBILITIES?
13. DO YOU THINK PARTICIPATION AND INVOLVEMENT OF EMPLOYEES CHANGES WITH ECONOMIC CONDITIONS?
14. HOW DOES WORK PLACE PARTICPATION OPERATE IN YOUR DEPARTMENT I.E. YOUR PLACE OF WORK?
15. DO YOU HAVE CONSIDERABLE FREEDOM TO ADOPT YOUR OWN APPROACH TO THE JOB?
16. DO YOU WORK WITH PEOPLE WHO COOPERATE WELL WITH ONE ANOTHER?
17. DO YOU FEEL CONTENT (I.E. HAPPY) WITH THE PARTICIPATIVE MEASURES IN YOUR WORK PLACE? GIVE REASONS FOR YOUR ANSWER.

18. HOW DO YOU THINK SUCH MEASURES COULD BE IMPROVED?
19. HAVE YOU WORKED IN ANOTHER COUNTRY? IF 'YES', HOW DOES THE BRITISH SYSTEM COMPARE IN TERMS OF PARTICIPATION?
20. HAVE YOU WORKED IN ANOTHER ORGANISATION? IF 'YES' HOW DOES THE CO-OPERATIVE BANK COMPARE IN TERMS OF PARTICIPATION?

Other Areas:

'Them and us'.

Training and E.I.

Core and periphery.

Economic climate influence.

Trusting environment.

Strokes and/or acknowledge efforts.

loyalty to the firm and expect reward for being loyal?

Does threat of redundancy make you more conscientious with your work?

How important is stability and consistency in your work?

Do you like challenge and change?

THANK YOU FOR YOUR ANTICIPATED PARTICIPATION IN THIS RESEARCH SURVEY.

LEN HOLDEN
LEICESTER BUSINESS SCHOOL,
DE MONTFORT UNIVERSITY.

Appendix 2

THE INTERVIEWS

Due to lack of space it is impossible to provide all the transcripts of the interviews in this thesis. Therefore in this appendix we shall provide a large representative sample.

The full number of interviews was as follows:

Sparbanken:

1. Irma Tidlund - Omradchef (Commercial Manager)
2. Helena Hammar Finansförbundet (Swedish Union of Finance and Banking workers)
3. Ingrid Klint - Training Manager
4. Elinor Lindström - Head of Personnel
5. Jan-Olof Carlsson - Manager in Computer Section.
6. Carlin Adolfson - Bank Clerk
7. Kerstin Carlsson - Personnel Assistant - Salaries and Taxes
8. Annelie Nilsson - Bank Clerk and Cashier.
9. Anita Adolfson - Bank clerk.
10. Inger Palm - Branch Manager

Cooperative Bank

1. Shelagh Everett - Employee Relations Manager.
2. Keith Brookes - Fulltime BIFU official.
3. Derek Newman - Production Services Manager
4. Stuart Crowe - Supervisor, Archive Section.
5. Barbara O' Rourke - Supervisor, Mailing and Printing.

6. Dave Clark - Archivist Clerk and BIFU union representative.
7. Joanne Needham - Clerical Operator.
8. Peter Evans - Printing and Mailing Room Operator.
9. Jeremy Willoughby - Section Manager.
10. Emma Burton - Clerical Officer, collection Department.
11. Carol Hill - Shift Supervisor Group Collection.
12. Yvonne Newall - Grade 7 Senior Collector.
13. Mandy Preston - Grade 7 Senior Collector.
14. Jill Ashworth - Personal Advisor, Grade 6.

Appendix 3

Some Transcripts of Interviews of Employees in Sparbanken

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ELINOR LINDSTRÖM	47
ANNELLIE NILSSON	58
INGER PALM	63

ANITA ADOLFSON

Personnel Trainer, Management Position.

Interviewed: 16 February 1993

One of 15 persons looking at private customers products, education and information. Organisations of 600 to 700 persons.

I came to work at Sparbanken in 1966. At first part-time. I had a baby at the time.

LH So you've seen a lot of changes in Sparbanken?

Of Yes. I've seen a lot of changes and I like changes. I see changes as developmental. I like to sell things.

1. What is your educational background?

I was a student in languages, Latin, English, French, German.

LH Do you find it useful in your job?

Both yes and no. I was learning French for 7 years, but now? (*noise with lips*) If you talk English very often you have it inside you. German? Yes, I can speak German - but not French.

LH Your schooling?

I didn't go to university. I came straight to Sparbanken.

LH Competitive or cooperative in schooling, in school?

In my school the teachers were aware of the parents influence and position. I didn't like that. If I was very good and sat in the background and I wanted to talk and have fun and so on, others in class will say "oh Anita now she is cheating again." But I didn't. They had a name like Von. If you have Von you had a very fine name and they invited the teachers home because they gave them higher points.

LH So there was a lot of their favouritism?

Yes and I didn't like that because it was not for your own sake but because of your parents position and statue. I didn't like that because I said to myself that I should call a newspaper up and write something.

LH Is it like that now for example with your own daughter?

My daughter is 27 now and working for KLM. I think that the children say what they think.

LH So ther're much more honest.

Yes honest all the time. that's good.

2. How do you view the idea of democracy?

I must have freedom to think, say and write what my opinions are. And I also think that I can affect what is going on now and in the future.

3. Do you think there is the same amount of democracy in the work place as in the world of politics?

No

4. If no, why not?

I have said no because you say one thing and mean another. You can talk and talk but you must show it.

LH So you think politicians are like that?

Yes.

LH So do you think that the workplace democracy is much more real?

Yes I do.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

Not now, I think when we became Sparbanken Sweden because it's so big and you have a big boss in Stockholm - you can't do it now. *[NB size and distance has effect of de* in organisation as well as feelings of involvement]*. before when we were Uppland. But I think I can do a lot of things in this project. I can but not other people - it's so big you know.

LH Do you think employees should be able to control their organisation so there are no bosses?

No I don't think so.

LH Why not?

You must give the confidence to the boss to make the decisions and to have the people with him or her - because if everybody could say and be with - you don't come forward - you stay here?

LH So you actually need some people to take a leadership?

It's very important who the leader is. A leader are good employers.

LH What do you think a good leader is?

You must have knowledge of what you are doing and then you must like people and love people. And then you must have experience. You can't be a good leader if you are about 20 years old because you must have the experience - you must have lived a lot of years to feel sorrow and so on. And you must be a bit of a doctor in psychology because if you have a group of people here you can't say the same thing to all the people because I may have to help Lars more but Emma I say do that, I must have a wide vision and understanding. They must see in my eyes and in my body that I believe in what I am doing. And you can't say one thing and do another.

6. Do you think this ideal is desirable?

I don't know.

7. What do you think are the essential elements of democracy in the workplace?

You must come and listen to what people think and you must educate them then you can get them to work well. Also the right person in the right place.

8. Do you think employees should be consulted in the formulation of workplace decisions?

Sometimes. It depends what the decision is.

LH Can you give me an example when not?

In my project now I am one of 15 persons who have competence to do the work but sometimes they must have the confidence to trust me because we must keep running. I have the confidence because I can see the whole of the organisation. I can see the whole thing.

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

Every person must have control over his or her work because if they don't have control they do not make very good work.

LH So they must have a certain degree of control?

Yes.

10. Do you think employees should have more rewards for having more responsibilities?

Yes, I can think of myself. If I don't succeed other people rely on me. Many people need me now. I must do good work.

11. Do you think employees should have more rewards for being more participative?

I don't think so.

LH So you think it should be naturally part of the job that they are participative and should not be rewarded for that?

Perhaps you may have leadership etc. but not reward. It's for your own sake.

12. Do you equate participation with having more responsibilities?

No. I don't

13. Do you think participation and involvement of employees changes with economic conditions?

Both yes and no. I don't think I know how to answer that.

14. How does work place participation operate in your department, i.e. your place of work?

I didn't understand that question very well.

LH You are in a managerial position and you have people working for you - how do you make the decisions?

I do several things. One person I can say to this for me and I can trust the person. Another person I will say can you do this for me but you must tell what you have been doing. I

call it flexibility leadership. I like to delegate but some I can but others need help.

LH So you are sensitive to the qualities of your work people?

Yes

15. Do you have considerable freedom to adopt your own approach to the job?

Yes of course. Freedom with responsibility. I like working that way. So tomorrow I may go home in the afternoon and the next day I work in the late evening but I do it my way.

16. Do you work with people who cooperate well with one another?

Yes. I have the whole organisation working to my design.

LH Working in harmony?

People like me and I like people. I have a sense of humour.

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer. How do you think such measures could be improved?

Everything can be improved. But now we have Sparbanken Sweden, every person don't think they are part of the organisation and they feel bad now because a lot of people have to go from their jobs. They can't sleep and its about 2,500 have to go in March and April. Before people thought at least they could affect the decision. If you went to the boss and said something he would listen to you - but not now. You are coming to the job at 9 o'clock and you go home. You don't know the next day where is my chair? Where do I sit? It's a difficult situation now.

ADDITIONAL QUESTIONS

LH So you think if a person is interested you have to give them some responsibility with training?

Yes, because some people are very shy and think that they don't think they can take the responsibility - they can. You must help them and you must train them. If you delegate at the right time. You help them to grow. You must delegate you will be a good leader and grow yourself. But a lot of

leaders think if I have this on my own, nothing can come up beside me. Do you know what I mean.

LH Do you think some people are naturally lazy and are just doing the job?

Yes I think there are few. Not so many but there are some. But these are not so many, not now! *(laughter)*.

LH If people are loyal should they be given lifetime employment?

Loyalty for me is many things. If you have a decision you must be loyal to the decision. If you don't like the decision then I must talk to other leaders. The most important thing is doing a good job and not the money and if IBM can offer a more interesting job then maybe I take the job with IBM.

LH Swedish employees expect lifetime employment. In American organisations what often happens is people jump from organisation to organisation. People are offering \$20,000 more so I jump to another organisation

(Comments on leadership again) (NB didn't really hit the right button on this interview)

Information is very important. Early information and good information. It can be about a quarter or half an hour, it is very important you have the people with you.

In Swedish we say Sunt Fornuft (Good sense/understanding) in judging situations. Not everyone has it, good sense (empathical understanding) - how to judge situation. People ask me "what shall I do" I say use "sunt fornuft".

CARIN ADOLFSSON

Bank Clerk

(Handles loans and paper work for big customers - construction companies and a couple of smaller companies)

16 February 1993

I don't have a position of being in charge of somebody, but I do work in a qualified area of the bank as we deal with very large loans

LH So how long have you worked for Sparbanken?

About 5½ years.

LH Quite a long time?

Maybe not long enough, we'll see!! (laughter)

LH A lot of people are worried at the moment

Of yes, and we don't know where the borderline will be in regard to the law. Last in - first out.

LH Is that a good or a bad position for you?

Not very good. But on the other hand the employer can pick quite a few on their qualifications.

1. What is your educational background?

I have a BA in Business Administration and economics and studied at Uppsala University and included a degree in French, and I speak English and German too.

LH Can I ask you about Swedish Education because it helps to shape the values of people you go back to when you were at school in the 1980s?

1970s and 1980s

LH What was emphasised in school, competitiveness or cooperativeness?

Do you mean at University level? Before? I would say at high school level (I graduated in 1976) I'd say cooperativeness. Not very much competitive. The ideas were very democratic at that time and I feel that after 1968 the student revolution and everything, it was more influenced by the student body

and decisions in the school. I'd say I was influenced by that.

LH That was a good or bad influence?

Both. I'd say that I believe in democracy - I really do - but I also believe that it shouldn't be unrestrained. There is a limit. Especially when you come to education and schooling. I don't think the students at that age are really equipped to make all the decisions themselves and have all the influence they want to have. I feel that at some point somebody has to decide and we also have to meet certain standards. We have to feel that we are obligated to learn something for our future.

LH Do you think values that concern for others and the group is strong in that kind of up-bringing?

Yes I think so.

LH Was there a discouragement of individuals becoming stars?

Not a discouragement but on the other hand I feel that at that time in my school they didn't take enough care of those who were really brilliant. I mean they were not triggered to go more which they could have. I guess that we were more or less on the same level and we had to go at the same pace. I do believe that very good students should have the possibility to go faster. No pushed but helped to develop.

LH Do you know conceit is that encouraged or discouraged?

Discouraged.

LH You've lived for a while in the States (USA) and for a little while in England?

And in Germany and France

LH Tell me about those?

I was an exchange student in school and studies one year in France and one semester in Germany. That was higher education. I don't know if I can compare that. I would say in America there was a larger difference between those who were very good and brilliant. They were exposed. You know they had the honours, societies and wouldn't say they were conceited but they were stars. On the other hand I lived out in the country my dad was originally a farmer and I went to a small school (in Sweden) but in the States I went to a large school with 3,000 students. So there was quite a difference.

2. How do you view the idea of democracy?

It's very important. To me it's the foundation of society, and I mean the kind of democracy we have here with free elections, freedom of speech and all that, not the Russian way of democracy.

3. Do you think there is the same amount of democracy in the work place as in the world of politics?

No not really. Legally employees have influence and I feel that the workplaces are democratic but politics everybody is entitled to vote for whom they like, in the workplace we cannot choose the people we work with. That is the difference. On the other hand once the politicians are elected there is very little we can say about what they do, but hopefully they go along with the ideas that they have.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

I would say the only way they could have total control is by running and owning the business themselves. And I would say that there were very few people involved. If there is a larger amount of people involved that would be very difficult.

LH And would you say that in an organisation like Sparbanken it would be very difficult to do that?

Oh yes it would. Definitely.

6. Do you think this ideal is desirable?

Desirable as much as possible but I am also realistic and I would say that it wouldn't be possible. Not a total control, no, but a large influence, yes!

7. What do you think are the essential elements of democracy in the workplace?

First information from those who are in charge. Information about what's going on and results, economic results. And one very important thing, I think, is the possibility of influencing your working environment. How you work and the equipment you work with, so that it's adapted to the people who work with it. Also representatives on the different boards.

LH You mean trade unions?

Yes, we have a union that is very strong and I would say that just about anybody who works in a bank is involved. That's very good because they represent us all. But unions can be both good and bad but they are the best way we have now to have this influence.

LH How can they be bad?

I feel that I'm not a socialist politically and I feel that some of the unions in Sweden, especially in the industrial areas are somewhat too strong. Maybe too big and they have become such large organisations I get the feeling that they only exist for the benefit of themselves. Somehow the bottom line of what they were for is forgotten. They have gone a little bit too far.

8. Do you think employees should be consulted in the formulation of workplace decisions?

Oh yes, if practically possible.

LH At all levels in the organisation?

Yes, at least consulted. It doesn't mean it has to be that way, everybody is important.

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

Yes I think they should have control over their work. But not total control over what they do because we are all to do certain things because there are things we don't enjoy doing but still have to do and somebody has to set the rules for what I should do or somebody else should do. If we are employed for a certain position we have to accept what we are told to do.

LH There's a question I haven't put in her, but I hope you don't mind my asking, it's about job description. Do you think there ought to be job descriptions or do you think it should be left loose what people ...

I think there should be job descriptions. They don't have to be very detailed but at least three should ... in a large organisation like this one it is very important when it comes to salary discussions and other kinds of discussions it is good to look at what people do and what they are supposed to do. It's also good for the person to know. The position involves doing this and this position involves doing that ... but they don't have to be detailed.

10. Do you think employees should have more rewards for having more responsibilities?

Yes, I think so. Someone who takes on a bigger responsibility at the workplace should somehow be paid for what they do. It's a pressure too. If something goes wrong, who's going to be blamed?

11. Do you think employees should have more rewards for being more participative?

I'd like to go down to Q12 (equate participation with responsibilities).

12. Do you equate participation with having more responsibilities?

It can be participation without having great responsibilities, but on the other hand people who tend to participate also tend to take larger responsibility.

(Begg question does participation then rest on person: interest in work job, intellect, ability to be responsible and other inclinations, also sex, age, service, ambition, drive.)

LH That is what you've generally observed in Swedish organisations:

Yes, I think so. I also think that you can participate at any level in the organisation in any kind of job but I also feel that if you feel that you have responsibility you participate more in what you do and often you're happier with what you do. It's not an equal but somehow they go together definitely.

13. Do you think participation and involvement of employees changes with economic conditions?

LH In other words when times get tough do you think there is less participation.

Definitely. In an organisation like this with what we are going through right now (naturally it depends on what kind of human being you are) but I would say that people who were upset because they know they're going to lose their jobs or they might lose their jobs, of course it's harder to be loyal to your employer. Maybe there's a new idea where we

have to work with new products or something like that, and its harder to work with the same good humour and enthusiasm. Some people are quite the opposite and work even harder when times are tough, but I think an organisation tends to slow down when there are big changes especially when there are big negative changes.

Its not much fun going out and telling your friends that you work in a bank, wherever you go you have to answer all these questions. There's a lot of worrying going on.

LH Is it the same as in UK. The banks have been blamed for a lot of the problems.

Of yes definitely. The media have blown it up out of proportion and are very negative. I feel now that everything is very negative.

14. How does work place participation operate in your department, i.e. your place of work?

We are only 5 people at the office which means we all have to participate. We have quite a lot to do and we all have our areas that we work with but we all participate very much in our areas. We have quite a lot of information about what's going on from our new boss.

15. Do you have considerable freedom to adopt your own approach to the job?

As long as I get the job done I'd say I can do it any way I want to. I just get it right at the end.

LH In other words you get quite a lot of autonomy and freedom?

Oh yes, I can and go as I please as long as I do what I have to do of course most of the time I'm here, but I go out to see customers and do business and I do mine at my own pace.

LH Do you like it that way?

Oh yes I do.

LH You wouldn't like to be in a situation where you're given orders.

Well sometimes I am too, but then I know that this has to be done. We're so few that we all have to work, sometimes I have to do everything. Sometimes I get a cup of coffee for people going to a meeting and sometimes I have to do very qualified things on my own but we all do all of it.

16. Do you work with people who cooperate well with one another?

LH You may have answered that already.

I'd say we do.

LH So the UK .. you don't mind ... er women made the coffee all the time.

I don't mind. I work with ...er one man who has very big responsibilities towards large customers and of course he does the great deals but he's very easy to work with and I don't think its negative to be a woman. On the contrary, I was the first women in the department and it's turned out that we hired another one. I feel that we are closer now with a mixture in ages and sexes than we were before.

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

LH I think you've answered quite a lot of that already.

Of you. I think so. Its ... I feel at work we do what we have to do and nobody tells me how to do it. My hands aren't tied in any way. I can solve any technical problem. There are certain rules we have to stay within but I can do it how I want to do it and when I want to do it as long as its done.

LH Would you like more freedom in your job or are your reasonably happy?

I think that I'm the kind of person who needs somebody. Somebody to lean on. So I'm quite happy the way it is.

18. How do you think such measures could be improved?

Maybe you should come back and ask me in 6 months and see if I'm still working here and in the office before I answer that questions.

19. Have you worked in another country? If 'yes' how does the co-operative bank compare in terms of participation?

When I was in Britain, in Brighton, I went to secretarial training school, in Germany and in England. We worked for 3

hours in the afternoon. I worked in Oxfam in Brighton and a law office in Munich. I was fairly young and I didn't have any training or experience but I could see how it worked.

LH How did you get on at Oxfam? Its not a typical organisation in the U.K.

If was different - really different. It was very nice - very nice people. I had never seen an organisation like that before.

LH In what way was it different?

I was brought up on a farm and lived in a small town and I had never come across a welfare organisation like this before. The kind of people who were dedicated to their work. It didn't matter how much they earned or matter what they did. I had never really been exposed to that before.

LH Would you say that it was quite a participative organisation?

Yes, I would say it was.

LH A lot of decision sharing.

Yes. It was a small office.

LH There was no hierarchial structure or boss?

There was a boss but he was very easy going.

LH What about in Germany?

That was different. The secretaries were secretaries and the lawyers were lawyers, and the lawyers decided what the secretaries should do. That was quite different. I don't even think that the lawyers bothered to meet me. They know I was there but they didn't care whether I was there or not. That was how I felt and it was bureaucratic, very much so.

LH I should imagine that's not a country difference. I should imagine if you work in a British office it would probably be a bit similar.

Of course, they are completely different kinds of organisations.

LH Would you say it was an organisational culture difference rather than a national cultural difference.

Yes definitely.

20. Have you worked in another organisation? If 'yes' how does the Co-operative Bank compare in terms of participation.

Yes I have.

LH Which ones?

I was a secretary at a large book publishing company here in Uppsala. And then I was an actual manager in charge of book printing in another company

LH How did they differ from Sparbanken?

They were a lot smaller companies than Sparbanken. At my last work the small book printing company we were about 35 people. I had a lot more influence than I have now. I was in charge of all the financial matters and I'd sit with the owners and make the decisions. I wanted to work for a larger organisation and I really wanted to join the banking business. I really enjoy it here but I really don't *insight* in the decision making as I did there, but on the other hand I had a very different job too.

LH Would you say that in many ways you had a lot more autonomy?

Oh yes, definitely. I mean all the decision making processes were a lot shorter.

LH Because there were fewer people in the organisation?

Oh yes.

LH That's the main reason you put it down to - the working style?

Yes completely different. In one company there were only 4 of us, in the book printing, of 35, of which 10 of us worked with administration and 25 in the workshop.

ADDITIONAL QUESTIONS

LH Do you think being loyal to the organisation is a strong value in Sweden?

Here I feel it is very strong but I also feel that it is impossible to sell to somebody else if you don't believe in what you sell. I also believe it's essential. Sometimes we are not aware that we may have double loyalties. When we climb over the fence and stand on the customer's side. I would say that people are very loyal to their employers.

LH Do you think there's an expectation in Sweden of when you join an organisation that you will have security and life time employment?

Maybe not lifetime but security definitely. I think we depend on the employer very much. I think that most people feel that if I want to change jobs the decision has to be mine. The decision must not be forced on me.

LH Do you think the situation now in Sweden with the recession is traumatic for many Swedish people?

Oh definitely.

LH Why do you say that?

Financial matters. After the boom in housing and all these people built and bought new houses and they maybe have small children and maybe both partners are unemployed now. It's a disaster. Even if a lot of people are not affected financially they are very very worried.

LH The reason I asked that was because I interviewed some Swedish people in England and they were saying that what they couldn't understand about England was that people will not stay loyal to an organisation. People in England will say I'm leaving now because somebody's offered me better money up the road and therefore they go. They say in Sweden you expect that the organisation protects you and you return loyalty. Do you think that's true?

Of course there are people in Sweden too who will change jobs if they are offered better money across the road but I think that we are very loyal. That we expect security in return for loyalty. Of course we are always very critical and keen on criticising and telling everybody what's wrong. But still I think we are very loyal, we stay in a company as long as they protect us.

LH So you think these events that have been taking place last year and now are quite traumatic?

I think so because its not our choice. If I have to leave the organisation it's not my own free will. It's been forced upon me. I think it's the security.

LH Do you think there's a permanent change happening in Sweden because there is talk that this is going to be the culture of the future?

I get the feeling that now we are very much more protective of what we have. I think it will stay in peoples minds for some time.

KERSTIN CARLSSON

Personal Assistant
(Salaries/Taxes)
PERSONNEL

16th February 1993

1. What is your educational background?

BA degree in economics, statistics and sociology 1970, Uppsala. Long time ago and I have been in personnel administration for 2 years. Uppsala - home town.

LH Tell me about your schooling.

It was a long time ago and schools have changed very much since I went to school. You had to learn facts not to discuss. The teacher told me what to believe in. It started to be a little more free and discuss things but before it was mostly the teacher who told us what to think and what to do.

LH So you weren't encouraged to actually participate?

No.

2. How do you view the idea of democracy?

Dialogue between one has power and people in community.

3. Do you think there is the same amount of democracy in the work place as in the world of politics?

No, I don't think so.

4. If no, why not?

Because in the workplace it is a little place and you can see the result of the democracy at once. But in the politics it is large and there is a long way between the decision and when you make it. It is easier to have democracy in the workplace where you have direct decisions.

LH So there is greater democracy in the workplace?

Yes, I think so. It's easier to do it.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

No I don't think its possible.

6. Do you think this ideal is desirable?

And I don't think its an ideal to have it.

LH Why?

If you have total control you do things your way and maybe that's not the best way for the company.

LH You have to have a dialogue?

Yes.

LH Do you believe that somebody has to be a boss and some people have to be workers.

Yes.

LH Some people have to take responsibility.

A little more responsibility or at least take it together otherwise we will be moving in several different directions. This is not good for the company.

LH So there has to be discussion?

And you have to give and take both as an employee and as a leader.

7. What do you think are the essential elements of democracy in the workplace?

Freedom of responsibility. Decentralisation and some sort of cooperation where there are important decisions.

LH Why do you think three should be decentralisation?

You get the people to work more when they feel that they are responsible and have made a decision on their own. You get the feeling that you do something good for the company if you can make the decision myself then if somebody told me to do so.

LH So people need to feel that they own part of their work?

Yes, that you can control a little bit.

8. Do you think employees should be consulted in the formulation of workplace decisions?

Yes, I think so, because the employees know the work better than the leader and have good ideas that no one will know if you don't ask them.

LH Is the style of work generally like that in Sweden or is it particular to Sparbanken?

Its more in Sparbanken. Our leader was before many leaders in the company, so we had a good democracy - but I think it's good in Sweden generally.

LH This is the idea that people should be consulted?

Yes, I think it's more often used this model now.

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

I think I should have control over my work but not total. Someone must look and help me if I do some things wrong or if I make the wrong decisions. I need someone to have a discussion with and we talk it over together and I find another way to do it.

LH In other words the dialogue (we're getting back to that) is very important?

Yes, for me it is.

LH Do you find some Swedish people in Sparbanken that don't like to participate?

Yes. Not particularly here in Sparbanken because we are all used to this way but I think in some work people don't want to.

LH Why is that?

They don't want to have the responsibility. They just want to go to work and when they go home they have done their work and that's it.

LH Do you think these people are in the majority or minority?

I think they are more in, what shall I say, the factory side. We have had factories with new ideas like Volvo. In factories thought it just mostly you go to work and they

tell you to do something and you do it. Some people make decisions and come up with good ideas but not very many of them.

LH That's more a traditional way of working?

Yes.

LH And do you think that the banking sector like Sparbanken is much more advanced?

Yes.

LH They involve employees much more?

Yes

LH Why do you think that is?

I think it is more usual in knowledge companies where you use your mind more.

LH Do you think that people with equal amounts of knowledge have to respect each other much more?

Maybe and maybe we are more on the same ground in a knowledge company.

10. Do you think employees should have more rewards for having more responsibilities?

Yes and/or no. If you have very much responsibility maybe you need a reward to have the strength (motivation?) to fulfil it but otherwise I don't think reward is the right way. The right way is more that you feel that you are useful for the company and you give it by participating more. Maybe words (feedback) are rewards. The leader tells you that you are doing a good job - I think that's better than if you got a briefcase. An maybe you can have it on your salary if you have very responsible work.

LH But you don't think it's necessary?

No.

11. Do you think employees should have more rewards for being more participative?

No, its the same answer.

LH So you think that being able to participate is reward in itself?

Yes, and you feel that you are part of the company and you are useful for the company and that's an important feeling.

12. Do you equate participation with having more responsibilities?

No. You can participate more and you don't have to have more responsibilities but you like your work and you don't have to have more responsibility. Take the girls down in the state line here, they are very participative but they don't have very much responsibility. They have little responsibility but are very participative.

LH How long have you been working here?

Since 1979. I came to the Personnel Department in 1987. Before I was a bank clerk (a long career progression). Before that I worked at Uppsala Council in the Housing Department, then I was looking after my children and a cleaner in the evening and then I came here.

LH So you feel happier here?

Yes, I like the job.

13. Do you think participation and involvement of employees changes with economic conditions?

Yes, I think so. You can see in this place when we don't have good economic conditions here you are not allowed to make your own decisions in the same way that you are allowed before - because the restrictions are greater - you don't have the money or time. And now that we make Sparbanken Sverige we have more restrictions and they come from the leaders and we just have to follow it.

LH That would be Stockholm?

Yes

LH So there are much more directions and commands than there were in the past?

Of yes. We miss that I think.

LH Do you think it will change back again?

Maybe after 5 or 6 years when we have settled this organisation. Maybe we will have more freedom in our little Sparbanken again. But not during the hard years before us we have to follow the leaders and do what we are told.

LH Same is happening in UK

Ah ah, is that so?

14. How does work place participation operate in your department, i.e. your place of work?

LH Do you have a lot in your department, Does your boss tell you what to do (Elinor)?

No. Not a thing. She doesn't know what I do and if I need some advice I ask her or she gets another person down the corridor.

LH So in other words you are very much in control of what you do and if you need advice you go to Elinor or someone else who can help you and you tell her what you've done?

Yes and that's just the way I want. So I am a lucky person.

LH You have weekly meetings at which you discuss problems?

Yes, I report what we have done and what we shall do and things like that.

LH Do you have discussions about policy?

Not very often - but sometimes, nowadays more than before because of the structure changes. There are 4 in the Personnel Department.

15. Do you have considerable freedom to adopt your own approach to the job?

Yes, I have (already explained).

16. Do you work with people who cooperate well with one another?

Yes, we have a good feeling in our group.

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

LH Could you improve your participation?

Maybe.

LH In what way?

More effective.

LH More effective, in what way?

It's going to be a bigger department which won't be at Uppsala any more. It's going to another town and we are going to go from about 500 people to 5 or 4,000 people in one unit.

LH So how is the department going to reorganise - three are 4 of you at the moment?

The department is going to change. We don't have any left in Uppsala. I will be based in Vasteras, about 10 Swedish miles (c. 80 km) from Uppsala. There will be one P.A. who deals with the taxes etc. and one KA and both of those are in Vasteras. They are going to have to disappear from her. I'm sorry.

LH Will you go with them?

I have sent in my application to Vasteras but I don't know if I'll get the job. Otherwise I will have to be back to the banking. I'm the lucky one who can change.

LH What about Elinor (Head of Personnel)?

She has not had banking experience and may have to go to Vasteras.

19. Have you worked in another country? If 'yes' how does the co-operative bank compare in terms of participation?

No, only worked in Sweden.

20. Have you worked in another organisation? If 'yes' how does the Co-operative Bank compare in terms of participation.

It was different from Sparbanken. The boss told you what to do.

LH Like here in your task, you do this?

When you finish this here is some more.

LH Did you enjoy that kind of working?

It was my first work after my degree and I had nothing to compare it with but I wouldn't like to go back to it.

ADDITIONAL QUESTIONS

LH How do you view recent economic events in Sweden in terms of your own organisation?

Not to add anything.

LH Is being loyal to an organisation expected in Sweden?

It's good to be loyal but I don't think it's expected. The bank people are loyal. They come to work when they are ill. It depends how much democracy they have in the company.

LH In other words loyalty is bred by the attitude of the organisation?

LH The loss of jobs in Sparbanken - do you view that as a shock?

I think it's a shock. Nobody thought that the bank was going this way several years ago. We expanded very much and we are very much young people and now we have to just send them away after we have trained them and they were a good resource for us - and now we have to say goodbye to them - and that's difficult.

LH Is there an expectation up until recently amongst Swedish employees that they would be employed for a long time?

Yes - for a lifetime. And you have to choose if you want to leave the company taking over. And now you can't choose. You have to be happy if you have work.

LH So this is quite a change then?

Yes in the last 5 years.

LH How do you think it will affect people's attitudes?

For the general people I don't think they have any future and that's not a good thing because if you don't think you have a future it doesn't matter what you are doing. You don't have to study or that. Because there is no use for it and that's no good for the Swedish people. You have to think you have a future.

LH So you think it will have a negative effect?

Yes

LH On attitudes to work and attitudes towards the economy?

Yes. You don't have to - it doesn't matter what you are doing that will change all of society.

LH If you have a conflict in the group how do you resolve it? By discussion or what?

We sort it out together. We take it in the discussion and say "I don't like the way you talk to me". It's easy when there are just 4 people.

LH Do you think there is a different style of working between men and women?

Yes, I do. Especially in a bank because there are 70% women and 30% men and men have 70% of the highest positions in the bank and women 30%. Men are more ambitious.

LH Would it be true to say that women are more cooperative and men more competitive?

Yes, generally. Because we all start in the line and many women stop there all their life but men try to get higher and higher.

LH Why do you think that?

First, it may be old ways of thinking. the man is the one who has to earn the money for the family and that way of thinking. Now that has started to change. Now there are two people working. I think it will change. But women have children, they stay home. But here in Uppsala we have good manner. Many fathers are at home with their little children. It takes a long time to change the pattern.

JAB-OLOF CARLSSON
Manager in Computer Section

Planning Manager - responsibility for computers and technical things.

Sparbanken

16 February 1993

1. What is your educational background?

Higher school certificate and after working in bank for 30 years. Stopped school in 1961.

LH Were values more competitive than cooperative when you were at school?

You learned to take care of yourself much more than now.

LH What do you mean by "take care of yourself?"

In school today in Sweden you are working in groups and you make jobs together. You are taught to do something in the group. When I was in school I had to get results for myself.

LH Do you think that is a change for the better or worse?

Both I think.

LH Can you explain what you mean?

When I was in school I had responsibility for myself. I couldn't blame any other person if I wasn't succeeding. When you are working in a group you can hide yourself in the group and that's not so good

LH Do you think its better for individuals to strive to be a star or not in a group?

You have to have stars also. Because a star can be a good leader and a group needs a good leader.

LH So you actually think that there should be good leaders and stars?

Yes, good leaders and stars.

LH Do you think the group is more powerful than the individual?

It is difficult to answer. You are powerful as an individual if you succeed and if the groups succeeds all is powerful.

LH In you long career with the bank, have you seen a lot of technological change?

Oh yes.

LH And how did that affect how the bank works?

If we should do the same as we are doing today in the bank we probably should have more than say a thousand employees more than we have to do the same work.

LH So technology has cut down the number of employees in the bank?

We have the same number of employees but we are doing so much more today. In the early 1960s when I started my first job was easy but its not the same today.

LH So you think the work has got harder?

Oh yes.

LH Why is it much harder?

We have to do much more and the changes are getting faster and faster. In the early 1960s the work was always the same - 1962, 63, 64 nothing really happened. It started to happen in Swedish savings banks at the end of the 1970s.

LH Do you think these rapid changes are good or bad?

If you run too fast it is bad because employees can't follow you if it goes too fast. If one day you are working with one thing and the next day another thing that's not so good. Changes are necessary, but not too many changes in a year.

2. How do you view the idea of democracy?

I have written down dome answers. Democracy is necessary otherwise you have people who are told how to be and that makes them afraid, and if they are afraid they can't do the best that they can because they are not involved in the decisions.

3. Do you think there is the same amount of democracy in the work place as in the world of politics? If no, why not?

It must be easier in a little workplace because you have the same interests in work. In a bigger workplace there can be the same problems as in the world of politics. In the world of politics you also have for example the integration of different religions. You don't have that in the workplace.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

From my view it's an ideal. I think the workplace needs strong professional leaders who have the helicopter vision - who can take the workplace from point A to point B, without too much disturbance. I think you need a strong leader for that.

6. Do you think this ideal is desirable, you say it is not possible?

As far as possible, and if employees are allowed to contribute and feel their ideas are * then the result is better.

7. What do you think are the essential elements of democracy in the workplace?

In this bank we have been allowed to work kind of free and responsibility. (*CHECK)
The management has listened to my ideas, others ideas and I have had the possibility to realise them. And the bank educators have been very good so far. We will see what will come out of this new organisation.

I am afraid that my ... that we are losing much of the education in the future. I've heard that you are not going to have any more education in the bank. And if you want education you take a book and study at home and you do that in your free time - not in bank time, and that will be much tougher, and then it's up to you if you succeed in work in the future.

LH The emphasis is much more on the individual?

Oh yes

LH The individual's own efforts?

And I am afraid of that because the credit costs are so big now. We are losing money. What do you say bleeding, so if you are losing so much money all of this goes down.

8. Do you think employees should be consulted in the formulation of workplace decisions?

In the bank here so far the employees are represented in the management groups. And I mean that employees should be involved in the formulation of workplace decisions. It's necessary you know.

LH Why?

Because they can do the job.

LH There are two types of consultation. One with the unions and one in the workplace with employees. What's the difference?

The unions view - you follow the rules. And that's not the same as the individual where you follow the suggestions and ideas and that's not the same.

LH Is there any conflict between the two sometimes?

There shouldn't be - but there is (*laughter*).

LH Can you give me an example?

If you have a good suggestion as an individual and you suggest that to a leader of the management group then the union can stop it because it doesn't fit with their ideas.

LH There is often a conflict of aims?

There can be yes.

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

Yes, I think employees should have control, but the more freedom the more control. I don't mean that they should be controlled on details. But if you control or follow up then they know that you as a leader are interested in their work.

LH So that in a sense feedback would be very important. and to act on feedback.

Yes.

10. Do you think employees should have more rewards for having more responsibilities?

Yes if the economic result is the workplace gets better and better. But I can say that to have more responsibility is a reward.

LH Do you think everybody shares your view.

No (laughter).

LH If you don't think everyone shares your view, do you think your view is held by the majority or minority?

I think employees who want something share my view. But many employees come to the workplace, do their work, and are really not interested in the workplace. They don't share my view. They say "If I have more responsibility I want money for it."

11. Do you think employees should have more rewards for being more participative?

I think I answered in No 10.

LH So you think if people participate this is reward in itself?

Yes.

12. Do you equate participation with having more responsibilities?

That was the worst question, and I have written down "yes" if I understand the question.

13. Do you think participation and involvement of employees changes with economic conditions?

Well I answered "of course it does". If you have more money in your wallet or you've got other advantages then it must not be money - it can also be better mileaux.

LH Do you think there is more or less participation in recession? Let me put it another way. In the late 1980s when there was a boom, do you think there was more participation than there is now?

Oh yes - a lot better.

LH Can you give any reasons for that?

Well all is so down as it is now, you have not got full participation you know.

14. How does work place participation operate in your department, i.e. your place of work?

I am responsible for 18 employees - in 2 other savings banks. There are 3 big savings now. I have to take all computing work from 3 banks into 28 banks, and that's my responsibility now. I have employees in the old bank in the middle of Sweden. In this bank I have 7 employees here. In my own department EI is very good but I'm not the person to ask you should ask the employees in my department. They have got a lot of freedom and responsibility to work and find their own solutions. But I show interest in what they are doing and how they are doing things. I have good control of them.

LH So in other words you allow them freedom to work to find their own solutions?

Oh yes.

LH But they have to tell you

No, they use me you know like a football (laughter)

LH They use you to bounce ideas off?

Yes

LH At the end of the day you're responsible for that department?

Yes

LH So do you shape policy for them? Do you create decisions for them or do they create decisions together (collectively) with you?

No, they make their own decisions.

LH Do you think that's quite different from other departments?

Yes, I think so.

LH Do you think that's because they are experts in computers?

Yes, I think so too.

LH What I'm saying is that in companies where there are computers there is a lot more relaxed atmosphere and more participation.

Its the same here.

15. Do you have considerable freedom to adopt your own approach to the job?

I have written down that I have had when we were our own bank - but now we are the biggest bank in Northern, all decisions are taken at Stockholm. The new management is in Stockholm and all leaders in the old bank are not leaders any longer. So the real approach is now under zero!!

LH So you think you've lost some of your power?

Oh yes. The leaders in the old bank, they are not leaders any more. Since 1993 we don't have any leaders in the bank, because there are project leaders. I am a project leader for computing in the 3 banks. There are other two banks in other departments in these banks. (*SENSE)

LH And so they feel the same as you

LH So what's the situation re Sparbanken? Has there been a take over of the bank?

In Sweden you know the eleven biggest savings banks were supposed to work together and in Stockholm we also have a mother bank that's Swedebank and these eleven savings banks were in arrears in Sweden and they were their own banks.

LH So they were independent in the organisation

Yes, they used the mother bank when they wanted to. There are also 90 other small savings banks. But we were supposed to work together. Then the problems came, and one savings bank in Stockholm Shota (can't make out) Savings Bank, First Saving Bank in Stockholm, Gottenburg. These banks are losing a lot of money. I mean a lot of money, in 2 years 20 billion Krona, that's 2 billion pounds. And therefore these savings banks have to go to the Government for help. And the Government in Sweden says that if you want money from the Government you have to do something about this balance. Make them into one bank and the head office should be in Stockholm.

Of these eleven banks they are not their own banks any longer. In the process they saying go back to 1990 and cut this eleven banks to smaller parts. The decision is how of these 11 banks there are now 131 local banks. They are cut off.

LH What does that mean

Like a bird with no wings

LH So they've lost their autonomy. Their power and they are now being responsible to Stockholm. So the independence and autonomy they once enjoyed has gone and it's now being centralised in Stockholm and that's obviously affecting the way people work.

Yes. In the old bank we were 470 employees and we had offices in this area and we had 26 branches. There are now 15 branches in Uppsala area. We had 3 branches South of Stockholm. Arlanda airport. Those 3 branches we had to leave to Stockholm. We had also 2 new banks in the North of Uppland and one new bank had 4 and 3 branches. So this is the result of the new reconstruction.

LH So the original banks were much more independent. Sparbanken was it one of the big banks in Sweden? With it 4th or 3rd biggest?

It is the biggest bank in Sweden now.

LH Who are your rivals? Handelsbanken?

You had Handelsbanken, Essebanken (?) and a bank that the government owns now named Nordbanken. And they you have the savings banks and this was number 3. This is now number 4.

LH This is all part of the amalgamation of independent units that have been amalgamated into their centre in Stockholm?

Yes

LH So it's quite a change?

Quite a change. The work which was organised in the old bank is now organised in Stockholm. We don't do it any longer here. It is concentrated in Stockholm from all over the country. For all 470 employees. In the new bank Uppsala Sparbanken there's about 185 employees. We had to take away 170 employees in the bank. They have to leave this year. So it's rather horrible you know.

LH I think it's difficult because in Swedish culture unemployment has been very low at 1.2% in 1990 and this has been a tremendous psychological impact.

It's about 8% now (unemployment).

LH Whereas in the UK there have always been areas of high unemployment and they are used to unemployment and this must have had a tremendous psychological impact on Sweden.

Oh yes. We are not used to it so we have a tough time as well.

16. Do you work with people who cooperate well with one another?

We are now for the moment an organisation in disillusion. Is that an answer for you now. About 170 of 470 have to leave their jobs so we have a very unhappy time in our bank.

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

Maybe in the future but not now with all the power concentrated in Stockholm. We're talking of work near the market and we should take all the decisions local in our new bank but we have to see it first. The point in doing this is good but if you are allowed to have the decisions in the local bank it's good but if they rest in Stockholm this is the worst use (meaning is you are taking decisions locally you can better respond to market needs).

18. How do you think such measures could be improved?

That we have our new freedom in the new bank so that we can be proud again of being a bank man. We are not proud any longer because the newspapers are full of comments of the bank situation. So if you go out and meet people, earlier you could say with pride that you were a bank man, but not now.

19. Have you worked in another country? If 'yes' how does the co-operative bank compare in terms of participation?

No I have not. I have only visited other banks in Europe and USA.

LH Have you any comparisons between them and Swedish banks?

Oh yes. Swedish banks are much more effective in comparison especially US banks.

LH Much better, you mean, more efficient?

Oh yes. For example work with cheques in USA if you write a cheque you write a cheque the cheque comes back to you. In Sweden this doesn't happen. In one bank they had 600 employees processing cheques. It's still happening now in many different departments.

LH You have worked in other savings banks?

Yes. One in South of Sweden in a town called Helsingborg. I started my bank career in a little town 15 kms from Helsingborg called Vanomor(?) I started there in 1962. Came to Helsingborg 1966 and from 1969 I have been in Uppsala - 24 years. I had a good time in this bank because of the freedom and I can take decisions for myself and could discuss all things in the bank. I liked the bank.

LH How do you view economic events in Sweden in relation to the bank

We have a lot of problems in Sweden and mostly in the bank system. The banks are losing. One big problem in Sweden is that interests in loans is too high so that companies are not interested in investment in Sweden. A lot of companies are bankrupted and this hits the banks. It's continuing. The real estate companies are also going bankrupt as well. Property has lost value. So many new buildings in Sweden and Uppsala have been built and are not used.

HELENA HAMMER

Union Representative

SPARBANKEN, SVERIGE

Interviewed by telephone on 3/8/94

LH The Unions were fully involved in redundancy procedure, is that correct?

Yes

LH Can you tell me how you were involved in the procedure? Were you consulted from the very beginning?

Are you familiar with the way unions work here in Sweden. We have a central union for all of Sparbanken Sverige from all parts of Sweden. That was involved in redundancy procedures from the beginning.

We weren't really too happy about it but there was close co-operation with the union. When it came to my bank there was full co-operation with the union. We had different opinions with the management on certain things - which people to stay behind and which people to go, but during negotiations we did pretty well.

For the union we managed to keep most of the people who had worked a longer time (people with longest service) and the people who had worked for a shorter time must go. We agreed that why let the long service people go now if they have been very good at their job.

LH Is that part of the codetermination agreement? (Explains what it is) Is seniority avoids redundancy part of the agreement?

Yes. Sparbanken wanted to keep more of the younger people. So we did well in making people feel safe in their job.

LH When you were at the national level who made the decision. I understand the government and Sparbanken Sverige there was a decision to reduce the workforce because of market conditions?

Well the government put a lot of pressure on Sparbanken in order to give support financially they would have to reduce costs and as labour costs are a large part then we had to reduce the workforce. But I don't know how much pressure was exerted. I wasn't involved in that.

LH There must have been a climate of fear among the workforce?

Yes

LH You were involved purely in the redundancy but not in the decision making about whether there should be redundancy. That was at a higher level.

Well - I was sort of involved but I wasn't negotiating that. That was a person from our union - no I wasn't involved in the numbers to go.

LH Would you say therefore that the union had been in a weaker position than it had been in the past?

No I think in the case of Sparbanken the union is actually stronger. The employers realised that if they were to do it successfully (i.e. redundancy) they needed the employees co-operation and with unions. So we are actually in a stronger position now. Have you heard of what we call "the handshake."

LH Is it what we call a "Golden Handshake."

This is something negative?

LH Yes

Well this is something very positive. We extend the handshake between the union and management at Sparbanken that we are in the future going to cooperate and the unions very involved in everything that is happening and all the employees are going to be very involved in what the bank does and that's what we are shaking hands on. I think that will benefit both the bank and the employees.

LH How much information was received in advance of the redundancy procedure? Did you have a lot of information from Sparbanken Sverige?

No. We're informed all the time.

LH You were pretty well informed all the time?

Yes.

LH And so you were able to plan this much more easily than if you did not have the information?

Yes.

LH Who decided how many workers were to go in the bank? Did Sparbanken decide that?

Yes

LH Who decided on the selection of the workers?

Those tough negotiations. During a period of two or three weeks we negotiated ...

LH You stuck out for seniority?

Yes because the Bank had kept these people a long time and had not tried to get rid of them before so therefore they must be qualified for the work. But the Bank said sometimes they are not qualified they are to go. But we said if you have kept them for so many years and never said anything until now, they must be qualified for the work.

LH Were all the people selected for redundancy, were they all younger people or were there some older people as well who had decided to retire early or something?

There were some older people who did go. They had a choice whether they wanted to retire early or not and we had quite a few here. Of course it was quite a shock for them at the beginning but I think most of them are happy now that they decided to take early retirement.

LH And were they given a good redundancy package? Extra money?

No. There is an agreement between the unions and central bankers in Sweden who decide how much you get if you take early retirement and so that is done according to that.

LH So there is a previous agreement?

Yes. It's for all banks in Sweden.

LH So some went because of arrangements via this agreement and discussions with them and they decided voluntarily to go?

Yes, most decided voluntarily but some felt really rejected.

LH So how did you deal with that? That must have been very hard?

It was very tough.

LH So you had a lot of emotional counselling.

Oh yes. For some people it was very sad. They felt really rejected and they hadn't done a good job but some people said "I want to leave the bank so somebody else can stay."

It was a difficult time. Some took it very differently from others - some were happy and some were sad.

LH It must have been very hard for you.

I wouldn't like to do it again although it was a very good experience.

LH England - harder attitude towards redundancy. Did you find in Sweden this was a shock - a very big shock.

Yes especially Sparbanken because when people started here they felt very secure here. If you started working for Sparbanken you could always have that job as long as you wanted it. It was considered more secure than working for the state or the government. It was a shock when it happened.

LH In England people felt they had a job for life in banking and now that's gone there's a lot of bitterness.

It's the same here.

LH Was Irma involved?

No, she might have given management information but I was not negotiating with Irma. Negotiations were done ... Sparbanken is divided into six areas - and I negotiated this area. Upper management had divided up Sparbanken Sverige into 6 areas which were used to negotiate each area. North, South, East, West, Central and Stockholm. I negotiated for three old banks and 2½ thousand people including Sparbank Uppland and Uppsala region. Sparbanken Sverige was brought together in 1992.

LH If I can give you a resume of what you said. The decision came - because of the crisis in banking and the recession there was pressure by the market and also by the government for Sparbanken to reduce its workforce, okay?

More accurately it's cost.

LH And most of that was labour?

Yes.

LH Therefore there was a decision to do this centrally from Stockholm. Is this correct?

Yes

LH Which the national unions were involved in and then after it was decided how many people should be reduced then each area was given the task of reducing a certain amount in

collaboration and co-operation with the unions. Is that right?

Yes

LH There was full co-operation between unions and management?

Yes, although at times we had a very different opinions.

LH Can you give me an example of differences?

Who was going to go and who was going to stay - personal contact or not??

LH What did the management say about that?

Sometimes they did not have a very nice view of people. However I think we were quite satisfied with the outcome.

LH Can I ask you a candid question? Did you feel that you had some information withheld from you?

(Long pause) No, not really.

LH There is an academic Walter Korpi - keeps

But that goes with negotiation tactics. You keep back certain things from each other, but not on big issues.

LH So you felt you had adequate information from management?

Yes

LH But some information was kept back for negotiation purposes

LH Unionisation is high in Sweden.

Yes, about 85% in Sparbanken and without Stockholm about 95%, perhaps more.

LH You (Sweden Sparbanken) have done well in getting over the crisis.

I think there has made quite a big difference because the union has been involved. The woman who was president of the union at Sparbanken (Kalsa Bratt), she has done a wonderful job in convincing the management that things will work much better if employees are involved. She has done a great job. Also people in Sparbanken management can see advantages in working like this as it makes us something special. You might find it somewhat different in other banks.

LH So you think that in other banks there has been much more of a conflictual situation?

Yes in some other banks - yes.

LH Was that because some other banks were in a worse situation than Sparbanken financially or do you think it was just because of the management style?

I don't know - it's hard to tell - perhaps a part of both.

Union negotiators like myself are elected for one year.

LH Full time officials involved in these negotiations?

No only part time officials like myself.

LH Do you think that would compromise the situation - the fact that they worked in the banks?

No, I don't think so. We know the people who worked with us and this helped. I don't work full time myself.

INGRID KLINT

(Training Manager)

SPARBANKEN

Interviewed:15 February 1993

(Note - Ingrid's English was very hesitant and she had difficulty in expressing her thoughts in it.

1. What is your educational background?

Primary School
19 year old normal school competence
12 years in Swedish Post Office
Swedish Svenstra Handelsbank
Finance Company
Sparbanken from 1989

Courses in Banking
Learning by doing and experience from daily life
Many courses.

LH: Which courses most useful?

Courses in business, communications, personal skills.
Wide range of skills and training.

2. How do you view the idea of democracy?

Democracy - for me is to participate in decisions.

3. Do you think there is the same amount of democracy in the work place as in the world of politics?

No - just now is a very difficult situation but if take previous time it is fine and I hope it will return.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

"An organisation is just like an orchestra. It needs a leader. It's an ideal. There are many people playing the instruments but a leader must conduct and direct."

6. Do you think this ideal is desirable?

Not possible

7. What do you think are the essential elements of democracy in the workplace?

"Good information and feedback are essential elements of democracy."

8. Do you think employees should be consulted in the formulation of workplace decisions?

"Yes, I think it is very important. If the employees have a situation where they can contribute to decisions. It is a very important for employees to own them."

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

"The leader must have the total control. Not every employee - a little for employees."

10. Do you think employees should have more rewards for having more responsibilities?

"Yes - if you have more experience and responsibilities should have more rewards."

11. Do you think employees should have more rewards for being more participative?

"Yes"

13. Do you think participation and involvement of employees changes with economic conditions?

"Yes"

14. How does work place participation operate in your department, i.e. your place of work?

Training & Education Department - 3 secretaries - 1st January 1993 my company is amalgamated, i.e. 10 companies into one organisation. All have a new position - this is a terrible time for us at the moment.

New company "Sparbanken Sverige" 15,000 employees - 3,500 have to go. This week or next week it will be clear who is to go. "We don't know if it is us and it is worrying for us". I hope I can be a consultant in Sparbanken and for Elinor too. Just now it is a very nervous situation for many

employees. The situation in Sweden it is necessary to do these things.

15. Do you have considerable freedom to adopt your own approach to the job?

Yes, I have in the old company but I don't know in the new company. It is very necessary to have freedom in the job. I have much experience and I expect to have freedom.

Star - results - promises (aims and objectives are made clear) and want freedom to fulfil aims and objectives.

16. Do you work with people who cooperate well with one another?

Yes, they cooperate well.

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

Yes. I feel content. I have much feedback for my work and it is very important, and I can change policies as a result of feedback.

18. How do you think such measures could be improved?

Ask the customer and employees - but most important is the customer, and what we can do better.

19. Have you worked in another country? If 'yes' how does the co-operative bank compare in terms of participation?

No.

20. Have you worked in another organisation? If 'yes' how does the Co-operative Bank compare in terms of participation.

Yes. It is very different. Handelsbanken is best bank in Sweden. Decisions rest with employees at the f*. They don't say it - they do it. Employees have big responsibilities so they can act and they get good feedback. When I came to Sparbanken it was older thinking but it has changed but we still have a long way to go.

ELINOR LINDSTRÖM
Head of Personnel

SPARBANKEN

15 February 1993

1. What is your educational background?

University degree Economics, Psychology, Sociology - BA. Uppsala. I first worked in personnel department of a construction company for 4 years. Then I came to an educational training company and there I was 13 years in total in different positions and I came to Sparbanken 8 years ago.

2. How do you view the idea of democracy?

One person, one vote. Everyone should have the possibility to influence matters that they are involved in.

3. Do you think there is the same amount of democracy in the work place as in the world of politics?

I think more democracy in workplace than in politics. There are more possibilities for more direct influence in the workplace. It's better than in politics when you have the representative democracy.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

I think it is more an ideal. It's not possible in all types of work conditions and all types of work. It's more of a Utopia.

6. Do you think this ideal is desirable?

But it's a desirable Utopia and should strive for it.

7. What do you think are the essential elements of democracy in the workplace?

Information and communication are the most essential factors. It should be a very open atmosphere you work in and maybe you have to implement more organised forms - meetings,

occasions where information is given and possibilities for communication between management and employees.

8. Do you think employees should be consulted in the formulation of workplace decisions?

Yes

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

Control - As much as is possible - its very hard to answer because you have to look at the questions from case to case (or example to example).

LH Example? Financial Policy?

You are always talking about matters and conditions which is especially important to everyone at the workplace. More strategic financial decisions are not so evident in everyday work.

10. Do you think employees should have more rewards for having more responsibilities?

Yes, I think there is a connection between these two factors. More responsibility - more rewards.

11. Do you think employees should have more rewards for being more participative?

Not necessarily. You can be the kind of person that seems to be very participative, but that does not really mean the same as having more responsibility. Some people talk a lot.1

12. Do you equate participation with having more responsibilities?

No.

LH Asks supplementary question

But there is a strong connection between the two. If you ask someone to take part in the work you also demand that people take more responsibility.

LH Should they be paid more then

Well, if you ask more responsibility from the person, I think there should be some kind of reward, mainly money.

13. Do you think participation and involvement of employees changes with economic conditions?

Yes, I think you have different participation in the bad times. (Pause) As an employee you want to take part more and be more part of the bid decision concerning your own work for example when we have recession, but I don't think it's possible to give it.

14. How does work place participation operate in your department, i.e. your place of work?

We are very few in my department. Four or 6 and of course it is rather easy to get everyone involved in the work. We are also a group of persons that have worked together for a long time. We know each other and we know each other's capacity so it's very easy to have a good communication between the people I work with. So I would describe it as a rather good workplace. And I think it goes for many other workplaces which consist of a rather small group of persons. Especially in a group where you have been together for quite some time. These are very much the conditions we work under.

LH Knowing your workforce is better. The more you know them the better it is?

Yes and I know also how much they know about the company and conditions the company works under. I think it helps a lot.

LH How do you make decisions?

Very much in a consultative way. We have the possibility to discuss very much. How we know we have to do this and what is the best way of doing it. And I trust my colleagues in the department. They know a lot and they make very good decisions when they are given the opportunity to participate in what and how we are doing things.

LH Do decisions rest with you or is it a group decision?

Several occasions I have to make the final decision, but that's the way it is. When you are the manager of the group sometimes the question rests with you, but I have been able to consult my colleagues and ask their opinions and good advice. At least I try to do so.

LH So you go out of your way to do.

LH Do you see differences in styles between men and women?

I know that several men find it hard to be managed by women. I think that many men demand more of participation in decision making. Especially when they have a female manager. It is not true of all men, but true of many.

LH How do you find men bosses compared to women bosses?

I haven't had a woman boss.

15. Do you have considerable freedom to adopt your own approach to the job?

Yes, considerable freedom. Many matters in my field of work are decided by laws or agreements for example between unions and management. So in those matters I know very well how to decide. In some cases there is a space for interpretation of laws and collective bargaining. We have quite a lot of freedom of discretion but with those boundaries.

16. Do you work with people who cooperate well with one another?

Yes

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

Yes, again it depends on the number we are. It is easier to have an informal way of communication. I remember in my former work before I came to the bank, when I was Head of Department with 25 persons it's a big effort to assemble them and have a more formal meeting when you have information to give.

18. How do you think such measures could be improved?

I know it is a very good thing ... apart from the daily small morning meetings - what is up during the day. It's good to meet a couple of times a year to look ahead in the long term, especially in times we are in now when it is very difficult to foresee what is happening over the next two months.

I don't know if you have an opportunity to know what is happening? But there is a lack of information which is very hard to work with when you are used to having a lot of it.

LH In other words the economic conditions have affected the way that you get information.

We feel strongly that a lot of the decisions that we could make in our own bank before here in Uppsala, are now moved up to Stockholm. You can see a more centralistic trend in the information and decision making.

LH Yet they want a more decentralised structure

Yes. So it's said and that's the concept of the whole reorganisation and this merger we are going into. But what we see right now is very much a centralistic approach to doing things. Maybe it's necessary when you go through such a big reorganisation.

19. Have you worked in another country? If 'yes' how does the co-operative bank compare in terms of participation?

No. But I worked in an American travel agency for 4 weeks.

20. Have you worked in another organisation? If 'yes' how does the Co-operative Bank compare in terms of participation.

The possibilities for more participation is better in Sparbanken than in the other organisations I know of. This was in construction industry for a short time and educational organisations. There are more possibilities for participation because within the big bank there are small branches (small units in the bank) it is easier to work as a close group. You have more opportunities for more informal information and communication and the possibility for everyone to feel part of what you are doing in these small units. That is different from other types of organisation where you have bigger units and more people in every department.

There is also a tradition in Sparbanken that is very nice and good. A small group of persons in different branch offices really feeling responsible for what we are doing with our customers.

SUPPLEMENTARY QUESTIONS

LH How long have you worked in Sparbanken?

8 years. And I worked in the education organisation for 13 years and a lot more persons involved than here.

LH That was working in schools or colleges?

No. It was the extramural board at the University - different kinds of education programmes for companies and organisations.

LH How often to you meet with everybody?

Usually once a week for an hour to an hour and a half.

LH What do you actually do in these meetings?

We go through recent decisions, information coming from different parts of the organisation especially Stockholm and what's up and what we have to do in the next 5 or 6 days. How do we play this job. So it's very, so to say, down to earth.

LH Do you expect loyalty to the organisation?

Loyalty among bank officials and bank employees is very very big - so far. I think right now we are really trying ... because we are facing a very difficult period and these things we have not experienced before. You know we are going to reduce the workforce by about 3,000 persons and it has to be done in the coming year. A month from now we will know a lot more. How many and which persons, and of course these are times when the good old loyalty is tested.

LH How important is stability and consistency in your work

Stability - because banks haven't had the luxury of that over the last year. I think it's even worse in the U.K. If I can tell you what I'm trying to get at. Swedish employees have expected a life-time career and I think that's going now. Especially in this branch and in the banking and finance sector.

LH In the UK it is unlikely that most people will have a career in one organisation for their working life. The number of core workers is getting smaller, and employing periphery workers - and when times are bad you get rid of them.

We are in a structural change right now, it's not only the depression and bad economic times.

LH That's influenced by the ownership of the business as well.

Yes, and the whole terms of the business. We are leaving the happy eighties behind us and it will never come back, its

not just a temporary recession. We are never going to see 45,000 people working in Sweden in banking and finance. More normal amount will be about 30,000. The 15,000 people who will leave in the coming years, they won't be able to come back, they will have to go into other businesses.

LH Do you think your employees like participation? Do they want to participate?

Yes

LH They do. Okay, but there are measures of participation, i.e. very much in control or not at all?

If I take my three closest colleagues in my own department - I know for sure that two of them want their own participation very much. Having a say in how they do things and when they do things, and they have the competence to be part of the planning and how and when we do things. I have one person who does not work like that and she's more dependent on my telling here what to do and how to do it. You have all kinds but it is more normal that you have persons who like to participate rather than the opposite.

LH As a leader you have to take responsibility - do they acknowledge that you have to have more power?

It has to do very much with different kinds of policy making. Now, sometimes they expect me to know exactly how to do something, especially when it's hard.

LH Would you say you were an individualist or a team member?

I would say I am a team member as many women are.

LH Would you say that men are more individualistic?

I would say that most men are more firm and direct (precisional). In that I am the manager I have to decide.

LH In other words they like to retain the power?

They are more aware of the position they have.

LH Do you think that equality between the sexes has a long way to go?

Not a long way to go. We have taken a few steps, but there are a lot more steps left before we are there. We have regarded ourselves as being advanced in sexual equality but statistics show that there are more women in top positions in France and even UK than in Sweden.

LH In school are children taught cooperation more than competition?

According to our official scheme for our public schools, cooperation is more important and given more emphasis than competition, but you shall have grading of pupils and that is one way of stressing competition, but I think there is a lot of effort put into schools to train the pupils for cooperation.

LH Can you give one example?

They work very much in group projects and the teachers are very observant that all the pupils have to come forward to participate to take their share of the work, also towards the poor pupils that are weaker in other ways.

A lot of persons in the organisation at the present time feel very much a lack of information. It's a drawback really, because we have a tradition of getting very much information, having methods and measures to get information. Having the opportunity to participate and feeling part of what is happening. Now you don't hear anything and you get this spreading of rumours and all of a sudden you know that it's decided and we haven't been asked at all.

LH So this is not typical then?

No, this is not typical at all what we experience now.

LH Is this driven by the economic situation?

Yes, and of course the firm grip of the new leadership of Sparbanken Sverige to manage this enormous reorganisation as well as cutting down 3,500 persons, more than 20% of the workforce, that's a very big reduction, and it has to be done in a very short time which makes it more difficult. Of course we know the new management of the bank in Stockholm has enormous pressure on them to prove their efficiency to the government if they are to get the 2 billion KRONA unless we can show that we can reduce our costs. And we have to do it in a very short time to really prove that we are worthy of this fresh money we need to survive into the future.

LH It hinges on whether government gives this money?

I think we know very well, all the different savings banks that are merging into Sparbanken Sverige, what the conditions and prerequisites are, but still it is quite hard to go through the necessary means we have to take to succeed.

LH Do you think the process would have been easier had you much more information?

Yes, but I am also aware of the fact that the information that we can be given, is given.

LH It is a very difficult to get rid of 20% of the workforce - even if you ask people.

And there has been a lack of information of how this is going to be done. Because we have our laws in Sweden - the last hired will be the first to go, that is according to the law, but we also know it can't be done in this way because we will lose a whole generation from our workforce and that would be very hard and it does not give us the situation to be very competitive and a strong bank in the future. I also know that we are going by the law in this reduction. So it demands new agreements with the parties involved, the union and the new management to make exceptions for what the law says.

This is very hard to work for the union as well. How shall you as a union worker describe to your union members that you have to make certain exceptions from what the law says. We want you to stay (e.g.) for 1½ years but we want you to go although you have been with us for 5 or 6 years because the first person has the competence that we value more. There will be very hard messages to give to these people.

We are training all our managers to be part of this, because it is not only personnel workers who have the responsibility for it. We are really involving all our managers. Some of them have newly become managers of branch offices of local savings banks and the responsibility is quite heavy.

LH Because with decentralisation they have accumulated more responsibilities. How do you think new technology has influenced you?

We have more of it and better and reliable techniques. We will be more dependent on it now and in the future

LH Has this recession accelerated the trend of structural changes

We have been talking about this for 15 or 20 years. That a lot of people won't be needed and despite that we have grown. For my 8 years here, 6 of those were spent very much with recruitment of new employees. The workforce increased by 7% to 10% every year for 6 whole years in a row. This was the expansion of the banking and finance from 1984 to 1990.

LH 1980's report that in City of London would have enough people to * *

Those who made forecasts in Sweden said these events would come, but it has come earlier than forecast (result of recession?).

LH How do you see the personnel function changing? Do you see it changing in dramatic ways?

Yes, first we were 11 rather big and self sufficient functions - and all 11 big banks had their own departments - market department, economy department, personnel departments and so forth. And one important part of the reorganisation for efficiency is that a lot of these different functions (dealing with administration and business support, not directly involved in banking) they will have a different future. For example the personnel department in this bank will be located in another city and serve 4 other banks - they will form a geographical group in Sparbanken Sverige, about 70 or 80 kms west of Uppsala.

270 personnel and human resource development staff - now reorganising for Sparbanken for 80 persons. That is a very big cut. You have to work in a totally different way otherwise you can't do your job. It's not a matter of running farther doing the same things as before. We will have to devise new methods of working, because you cannot make up the work by working harder. One thing that will happen is that more of the personnel responsibility will be laid upon the branch managers - so that they will not be able to use their personnel departments as they use to do before.

LH So if I can clarify in my own mind. In the organisation as a whole - a whole layer of middle management is going. The functions are being decentralised but personnel is going the opposite way - you're being centralised much more.

So do you see yourself as providing a kind of consultancy to the rest of the organisation and do you think line managers will take on personnel functions much more?

Yes, they will have to do it. They will rely on personnel to give our pay every month, and they can't expect much more from a diminished function as it will be. But you will have a group of personnel workers working very closely with other managers in finding gaps in competence, finding the right methods and measures to fill these gaps. To help them recruit the kind of employees they need.

The branch offices will also be in the situation that they have to operate with less persons than they are used to, and to do more things than they used to do.

LH Taking on more responsibilities. And that means, at the end of the day, that they have to be more participative.

Participation in Sweden has also to do with schooling. How we are brought up so to say. And I think we started a long time ago in the Swedish school system to train people to be more participative and dare to question things and it comes naturally to continue to be that way when you come out to work.

ANNELLIE NILSSON

Bank Clerk and Cashier

Interviewed: 16th February 1994

I have been working for Sparbanken for 4 years.

At first I worked in the Deposit Box room and then I worked as a Cashier helping people out with their accounts and now I am working with loans and investments. We rotate this work. We work one month in loans, one month as a cashier, etc. but that's new.

LH In rotating you tasks you're learning a lot of different tasks if they are absent or they want to cut the workforce down

1. What is your educational background?

I went to ordinary school for 9 years which is normal in Sweden, and then I went for three years to economic school. It's not university school its a gymnasium. It's not specialised like some schools but you can go to university or start working.

LH When you were at school, did the teachers allow you to participate?

Some teachers let us do what we wanted and if we cooperated with one another then they listened to us. But some teachers back in English and so on, said you had to do this.

LH It was more directed?

Yes

LH What did you prefer participative or directed?

I think I prefer ... I don't like when it's directed, but you need to be directed in some subjects but if its possible I like to be asked.

2. How do you view the idea of democracy?

I think it necessary to ask people around you because everyone is specialist in their work. If the employer tells them how to work they can't do it because they can't do it as well as the employee.

3. Do you think there is the same amount of democracy in the work place as in the world of politics?

Yes, I think it's quite the same. But in the world of politics you can say what you want and if people don't like it they won't vote for you.

LH In the workplace do you think it's different?

Yes, I think it's a little bit different because you have laws and things like that especially here in Sparbanken. You have to check with laws and rules all the time so you can't do so much about it.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

I think I can have total control but ...

LH Do you think you and your fellow workers can run Sparbanken without bosses?

(Laughter) No, I think not. It won't be very good. It might be good but I think someone has to give direct orders otherwise everybody will do just what they think. You need some kind of leaders.

6. Do you think this ideal is desirable?

Yes, it would be nice but I don't think it would work.

8. Do you think employees should be consulted in the formulation of workplace decisions?

Yes I think so. In smaller decisions I think employees should be asked but when it's bigger then I think someone who has got the authority needs to decide that.

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

Yes, as much as possible should control their own work because they are specialists in their work. The bosses don't know exactly what they are doing.

LH Because of their knowledge?

And they know what the customer is asking about and they know what the customer wants. So that's why they should have some control but not in really big decisions.

10. Do you think employees should have more rewards for having more responsibilities?

I don't think they should have more money because they are going to have more responsibilities but I think someone has more responsibilities they should have the chance to get more money.

11. Do you think employees should have more rewards for being more participative?

I think it's about the same because if you work hard then the employer should see that and then you should get more than other people that are just sitting and not doing anything more.

12. Do you equate participation with having more responsibilities?

No, not really but to be participative then you should have more responsibilities after a while.

13. Do you think participation and involvement of employees changes with economic conditions?

When the economic condition is bad then people care more about their work because they don't know how hard it is if they can hold on to it or if they have to look for other work.

LH So when times are good people are inclined to be less hard working?

Yes, I think so, and then they can afford more people can then there are people who don't do anything.

14. How does work place participation operate in your department, i.e. your place of work?

I work in a group but everyone has their own customers but when I work in the cashiers then we work in a group and everybody is caring about each other and everybody has to work hard because otherwise it doesn't work out.

LH And you let down the group?

Yes that's right.

LH So there are a lot of people working together as a team and if you don't work hard you will let them down?

Yes.

15. Do you have considerable freedom to adopt your own approach to the job?

Yes, but there are laws (e.g. banking and finance laws) which I have to think about all the time.

16. Do you work with people who cooperate well with one another?

Yes, I think so.

LH You have conflicts sometimes?

Yes, in every place you work.

LH And you resolve these conflicts quite well?

Yes

LH If you're upset what do you do? Do you speak to someone and say you are unhappy?

But first people talk to their best friend. Nearest person in the office.

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

I think it's the best it can be right now. I think you can't have much more freedom because then you can't follow the rules and laws and things.

18. How do you think such measures could be improved?

We have quite a few meetings. Generally every two months. We have an evening every third months where we meet together all in the office and then we talk about ...

LH So this happens in the evening?

Yes, after work, but we get paid for it.

LH Would you prefer it to be during work?

That's impossible because we have customers all the time.

LH After 5pm?

Yes and then we have something to eat and we have a social get together outside work and we talk to each other about what could be better in the office and just eat.

19. Have you worked in another country? If 'yes' how does the co-operative bank compare in terms of participation?

Only for one week in a bar in Greece.

20. Have you worked in another organisation? If 'yes' how does the Co-operative Bank compare in terms of participation.

I worked in a clothes store selling fabrics for one year. I liked that to help people select materials. People are nicer in the shop than in the bank. Here they are asking for my knowledge. I had a lot of freedom because I was a little bit of a chief and I went around Sweden shopping for fabrics for this store. I was paid more. I thought it was better work in banks and I couldn't work a whole week it was less certain than in the bank.

ADDITIONAL QUESTIONS

LH How important is being loyal to an organisation?

I think its very important to have loyalty in order to survive.

LH Do you expect something in return like keeping your job?

Yes, because if you don't know you can keep your job it's a little bit worrying right now. You heard about that? You cannot go around being loyal to the company if you don't know you can keep your job. So if you know you're safe here and do your best then the employer won't (sack you). You know?

LH You are a bit worried so you'll look around for another job?

Yes.

INGER PALM

Branch Manager

16 February 1993

I have been working at Sparbanken nearly 20 years. I have just moved from one branch to another 3 days ago.

1. What is your educational background?

I took evening studies - law, maths and took training courses at Sparbanken. I began to learn English in 1960 when I was young at school

LH Did you enjoy your schooling?

From time to time.

LH Were the teachers very strict?

Yes they were.

LH More strict than now?

Yes

LH So they did not ask your opinions?

No they did not.

2. How do you view the idea of democracy?

I have written down some words: responsibility, influence for everyone. Possibilities, developments.

LH So you think it is about responsibility

Yes I can be able to take part and influence decisions.

3. Do you think there is the same amount of democracy in the work place as in the world of politics?

Yes, I think I have the same possibilities at work to influence events.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

It's impossible because everything changes from day to day.

6. Do you think this ideal is desirable?

I don't think they can manage without a leader.

7. What do you think are the essential elements of democracy in the workplace?

It's everybody's possibility to take part in how ... in what way we reach the aim.

LH So everybody should take part?

Yes

LH Does this make the organisation work better?

Yes

LH Why?

If I can be in the decision I work better.

LH Encapsulating for a moment, you think it's important for people to be involved because this makes them work better?

Yes.

8. Do you think employees should be consulted in the formulation of workplace decisions?

Yes

LH Can you suggest any reasons?

I'm more interested in everything around me .. er

LH When I feel involved?

Yes.

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

Not absolute control, but influence.

10. Do you think employees should have more rewards for having more responsibilities?

Yes, but not always in money.

LH What kind of ways can you reward them?

You can give them something they need for example an education course.

LH Or praise? Do you know the praise? Saying "well done", "very good"?

Oh yes, of course.

LH So that could be reward as well as money?

Yes.

11. Do you think employees should have more rewards for being more participative?

No, I don't think so.

LH That should be naturally part of the work?

Yes. I think it can lead to something which is not so good. I could have employees around me who say "yes" to everything I want to do.

LH You get what we can in Britain "yes men". They say "yes" to everything the boss wants to do.

Yes.

12. Do you equate participation with having more responsibilities?

No.

LH You think that's a natural part of the work process?

Yes. It shouldn't be any problem if I like my job and find it interesting and learn more about what I'm doing.

13. Do you think participation and involvement of employees changes with economic conditions?

Yes. If my salary is very good my involvement will be bigger.

LH And if you're higher up the organisation you get more involvement?

Yes.

LH And the lower down you get less involvement?

Yes.

14. How does work place participation operate in your department, i.e. your place of work?

We take care of each other and when somebody has a lot of work to do and when somebody can't understand and when somebody behaves bad or somebody has a problem.

LH You then actually consult people?

Yes to help in the group. To help each other. We are a team and we must do it together.

15. Do you have considerable freedom to adopt your own approach to the job?

Yes and No. I don't yet in the new organisation. I can't answer how it will be.

LH But before that was there freedom?

Yes, a bit of freedom.

LH Did you appreciate that?

Yes.

16. Do you work with people who cooperate well with one another?

Yes, but you must work at it. It's not natural in the group, you must talk about it and work with it every week. Sometimes every day. Talk and it and ...

LH It's therefore not a natural thing.

Yes. It's very important that the leaders do it. It's a time when the leader is needed.

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

What I said before applies here.

18. How do you think such measures could be improved?

Yes

LH In what way?

Talk about it and work with it.

LH So it's a gradual process. You keep working at it and so on?

Yes

19. Have you worked in another country? If 'yes' how does the co-operative bank compare in terms of participation?

No. My daughter lives in Leicester. She is at the university and has practised work for 6 months. She was in the United States and has not found it the same at all.

20. Have you worked in another organisation? If 'yes' how does the Co-operative Bank compare in terms of participation.

Yes, but 20 years ago.

LH What was the organisation?

It was working in the Government for defence. In the army. I did that for 4 years.

LH I should imagine it was much different from working in Sparbanken?

Yes, Sparbanken is more fun.

ADDITIONAL QUESTIONS AND COMMENTS

We are having a hard time just now. This bank in Uppsala. We have 400 people working here and in a few months we will have 170 people, all the others must go away.

LH Will they be dismissed?

Yes

LH Will your job be under threat?

No

LH Do you find that traumatic?

Yes, we are not used to these situations.

LH It will be harder for you

Yes and how we shall manage to run our bank with only 170 persons working.

LH Do you think that it has affected the way people work in the organisation - morale?

You work only for the day. You can't think for next year, for next week. You can't plan so much.

LH Do you know the word loyalty. Do you think the recent events are a challenge to that?

I think the top men in many banks have done many stupid things and because of that may have to suffer and they are not so loyal. They can't be. But I'm older and have been in life a longer time and can see that it goes up and down and you can understand.

LH How important do you think stability and consistency are in organisations?

Yes, now it is very important and we don't have it just now and we miss it. We are not used to this situation at all.

LH In an ideal you would like much more stability and much more consistency?

Yes.

LH Do you think women make better managers than men?

No I don't do.

LH Do you think it's important to have men and women working together?

Of yes.

**LH Another employee said that there are not enough women
at the top - if this true?**

Yes but they are coming up. It will take several years but
they will.

Appendix 4

Some Transcripts of Interviews of Employees in the
Cooperative Bank

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KEITH BROOKES

CO-OP BANK

BIFU

Interviewed: 16/3/94

LH Background to Coop Bank and what's been happening in terms of employee relations and industrial relations over the last couple of years.

I'm the? secretary of BIFU, the key negotiating official in the Coop Bank and I've been involved in that work for six years, and I came into it at an interesting point, because it was a time when change was about to happen. It was being just gestated but hadn't occurred. What was the "Employee Relations" department in 1988 became "Human Resources" and they brought in, as a senior person on their negotiating team, the Human Resources Manager from outside, which was unusual for that bank and at that stage in 1987/88 because most of the banks tended to have Personnel Departments with ex-bankers going into some kind of staff administration. So the Coop Bank in some respects was at the forefront of the new wave of thinking of human resources and how it should be done. They brought in someone outside of Personnel with Human Resource experience, a masters post from Cardiff University with a vision about how it ought to be, rather than how it was.

From the union side - the historic position was the Coop Bank heavily involved with the Labour movement where the residue of a closed shop agreement 90 to 100% and then, what I call, 'New Wave Thinking' coming in, which is going to totally change the way in which industrial relations have been conducted in the past. I suppose the model up to 1988 ... although from BIFU's point of view it's fair to say we've never regarded the Coop Bank as an easy industrial relations framework to operate in. From outside it looks a lot easier than what it actually is. The Coop Bank has never been at the forefront of the best terms and conditions even when banking was making a lot of money. We had a long historic struggle before my time to establish a pension scheme for bank workers in the Coop Bank that was on similar terms to other banks. It was a strike in fact! So the idea of an outside person will often think "of Cooperative Bank, trade union, easy job, because the relationships are so good and so strong, and the Coop Bank is affiliated to the Labour Party and the Labour movement and all that - will made the environment easy to operate in." In speaking to me now in 1994, there's no doubt in my mind that the Coop Bank in that period of time, over the last 6 years, one of the most

difficult of banks to deal with. That view would be supported by my General Secretary.

We scratched the surface prior to the time probably the hardest time was from 1990 to 1993, but if you look back historically it's never been an easy option. So that's some general background.

LH Can you say why it's never been an easy option. Is it because there's a lot of built in assumptions that haven't turned out to be true?

I think there's a lot of public image - assumptions about the Cooperative Bank being - it's also owned by the Cooperative Movement - and is linked in there - but it doesn't mean to say that it's going to be easy to operate in. To be fair to the Cooperative Bank, it's never been an asset rich bank in the way that the other major clearing banks have been. So it's actual background it's never had a lot of money to throw around, whereas, if you look at the 1980s, the other banks were making money hand over fist. Plenty of money and reasonable terms and conditions were imposed by the unions. The Coop Bank was never in that position of making lots of money. Oddly enough as well, the Coop Bank has never been modernist in it's thinking and the treatment of it's staff is not always as it should be.

You have an old style of management and until recently that was the case.

LH Is that true generally in banks across Britain, that there's an old style of management?

Certainly through the last decade into the 1990s. They're changing rapidly. They're one of the fastest changing industries at the moment. You're alluding there that the reason it is changing is because they haven't changed and kept a very old patriarchal style.

LH And they've been forced to change because of the problems they're facing in the market.

That's true to a certain extent but I personally hold the view (and I'll say this on the record) a number of banks agreed to give an economic view other than an 'industrial relations' view. I don't find it acceptable that major banks at the moment are making millions of pounds of profit and making people redundant. I don't see the logic of that, which way the chief executives seek to explain it. There's no real logic to it other than a search for even greater profit. When people like Midland and Barclays are making the money they are and putting people out of work, I think it's crossing the line from efficiency to greed. But that of course is a personal view.

LH Coming on to the 1990s. I was very much interested in the HRM initiatives and how they have affected your relations with the bank. What kind of HRM initiatives have they had?

The Coop Bank was at the forefront of this - not deliberately or because it was ahead of the game - but because they appointed Ken Lewis as Human Resources Manager - now on the Board - and he certainly had got the new vogue thinking. Most of the banks have gone down that road now. But certainly quality management - TQM, Coop were one of the first banks to instigate that and the whole idea of changing the communications set up from talking to unions to talking direct to staff which is part of that TQM Quality Circle type concept. As far as I'm aware, certainly BIFU terms, Coop Bank was the first to adopt the title "Human Resources". OK, so that doesn't mean much, but in some respects it does have a philosophical bent away from industrial relations, away from employee relations, away from personnel.

LH It has a long term agenda.

Quite. As my contemporaries would say "these departments work better when they were called staff administration."

They were the forefront of that. TQM was very big programme. I've got views about the success of that programme at the Coop Bank. They came in with TQM, they came in with Mission Statements - ahead of any other banks. There isn't a bank that hasn't got one now. I well remember at a management conference in 1989 or 1990 - big management conference - BIFU was invited to that because the Coop Bank wished to have us on board rather than have us against some of their philosophies, though aspects of some of these philosophies, such as job cuts and pay freezes, tend to mean that we were bound to have some kind of conflict.

So we were at the management conference. It was an interesting conference it was all the managers there - a number of them incidentally have been made redundant or volunteered for redundancy, but everyone was given at the end of that conference a parchment statement in a tube - which was the Mission Statement.

My opinion of 'Mission Statements' is that I'm not entirely convinced that companies and organisations need Mission Statements. I'm not entirely convinced, because if organisations don't know what they're doing and why they are in business, I actually wonder ... on wonders what is happening in the UK and industry generally. My idea of a Mission Statement (if you've got to have one) is that it should come from all of the people involved. Preferably from

the bottom upward, with all of the people involved and supported by the top - if it's going to work - and it becomes the mission. But that Mission Statement (the Coop one) did not come from the bottom of the bank or from the middle in my view (I'd certainly like to have that dialogue with the bank). It came very much from the top downward and it's spurious to suggest that it had been generated by managers - it hadn't. Those managers at the conference was the first time they had seen any evidence of a Mission Statement. They were bemused and perplexed to take away this parchment in their hands. Although all of them were under a three line whip to have that in a frame in your office.

So Mission Statement was part of that as was TQM. Some of the TQM training courses were about attitudinal change - there's no doubt about that. They were trying to reshape and remould people for a new culture. I'm not sure if the bank believed that all that Human Resources changed much or it was lip service, but they would argue they succeeded. I don't think they did entirely because if you take TQM in it's pure sense it doesn't leave much of a role for trade unions. It's a concept. We're still there. We're still in the frame and the Bank has had to recognise that they've had to adjust some of their early thrust of TQM, certainly the Quality Circles and Staff Councils side to accommodate and recognise the fact that the union is not going to go away.

The Bank unilaterally established a Staff Council which we see as a direct threat to the trade union.

LH That's like a Works Council?

Loosely upon that concept and we've argued fundamentally with the Bank that it's not like a Works Council because if it's under European Legislation it should involve the trade union. It has not directly involved the trade union it has sent out elections by staff without incorporating us in there at all. Since it has been established ...

LH When was it established?

I think it was around 1992 the summer of ... I sent this book about it to our union in September. But we boycotted it and we've maintained that boycott.

LH Because you weren't invited to sit on it?

Yes, we felt the employee relations, as it then was Human Resources, they simply put out the call for nominations for Staff Council without any consultation with us, which was a direct attempt to go over our head. A direct attempt to establish another body, because we had proven some what difficult. The year before we had a conflict with them and proved that we could communicate with, and represent the

staff more effectively than the whole TQM jamboree that they had set up. I think they've now accommodated that and recognised that the human resources had been promoted beyond their capabilities were pushing the union into a black corner saying we were head strong and hell bent on conflict. I think it's been recognised by some people in the bank, that we weren't necessarily hell bent on conflict - yes we were head strong on particular views about jobs and pay, but ultimately we want to see the bank successful. It's not in our interest to have no successful banks. It's not in our interest to have members that are impoverished by autocratic terms and conditions established. Now there seems to be some accommodation of these two positions at the moment. The Chief Executive (Terry Thomas) had a particular view about the Staff Council. I don't think the Chief Executive has ever forgiven BIFU for saying 'no' to a pay freeze. I think Terry Thomas is not used to be told by anyone! But we are an independent trade union.

The Staff Council was simply established over our head we've campaigned against it including TUC support on that. It's still there but it's utterly ineffective. We've offered the Bank what we call a realistically They've offered us two BIFU seats but not for our officials. We said that if these two seats were full time officials we'll then ensure that genuine representative people of the workforce, i.e. lay trade union activists emerge as being on the Staff Council. If the two full time BIFU officials were allowed on the Staff Council those two full-timers, myself and the General Secretary - the staff council would function. We would take a relatively low profile on there. But we would want the right to be there rather than be undermined. So far those talks have not progressed and the Staff Council continues to meet and discuss nothing with no one of any consequence. Although the Bank do keep attempting to breathe life into it. But it's failed miserably.

They've got it there I suppose ... having spoken to Shelagh Everett (might as well name her in dispatches) I think they see it as some kind of nuclear weapon in the background - perceived as a threat by us and if things do go into conflict mode they can always wheel it out and wave it about. Its utterly discredited. It doesn't function - everybody knows that, including the people who attend it. I gather Terry Thomas only attends for lunch (laughter). That's true.

LH Comments on TQM - 'Bolt on' rather than 'embedded' system

That's interesting because in terms of the Coop Bank and other banks that these 'bolt on' schemes look good on paper but then the other actions of the employer seem to contradict the philosophy of TQM. And it certainly happened

at Coop Bank with the pay freeze just at the time of the launch of TQM. Terry Thomas didn't help by giving himself a massive pay rise the same year they had a pay freeze. It's all documented in the BIFU reports, and then people got very disillusioned with TQM philosophy. Certainly I recall when we were first getting ourselves involved the union official point of view with TQM. The Bank sales pitch was fairly good and I took a very low key view of TQM. I had some reserved judgements about TQM but the staff at the time felt that it was a new philosophy which if it works will actually make the bank a better place to work in, and I wasn't in business to contradict that, although I had views about it which I kept very much to myself.

It was interesting watching it unfold over that 9-12 months - 15 month period and watching my members say to me "TQM was awful and why hadn't the unions done something about it?"

Initially they had taken it on board with the view that it might work.

LH **Why they don't train people. One of the big faults about it is that there is very little training. And what training takes place is on the cascade system and this is totally inadequate. TQM means culture change and you need a whole huge training programme which is not taking place. Therefore the system is working at half cock. They don't have meetings in some departments. It's patchy, variable and some people see it more optimistically than others. But there's a general air that it's not acting in the way it should.**

Yes what I've read about TQM and watched in practice - it's got to be total. It's got to be followed through and it's got to be complete. Every company that I've seen say they've adopted it finish by adopting it only piecemeal. They say 'we're not like any other company - we'll follow this through and of course it either gets expensive - certainly in the Coop Bank, the work was (the Coop Bank would never confirm this - this is fairly accurate) it cost a million pounds to set up TQM. All their training courses.

The Bank came up against short termism - which is the classic English or UK problem in that it started to lose money on it's main accounts. Things get cut generally - and so it became internal trainers only who had theoretically been trained by the external people and they were training other internal people, and before you know it everyone's got one of these little gold 'Q' badges on which were subject to much ridicule by others, because they're not really quality trainers in any sense of the word. They adopt that culture, that's seen as okay by certain people, but they are not actually doing anything positive. It's my view.

Moving on slightly they've had massive conflict. 1991-92. Involving industrial ballots on pay and jobs. We feel that the union was actually being threatened. We felt it could end up in derecognition. We took a very hard line against them on redundancy and pay. Mainly on pay in 1991, and redundancies last year (1993).

There seems to be a realisation over a period of time now for both sides taking stock. If you're going to have TQM and quality you don't have to end with the union. You can actually have the union on board and involved and understanding ... there is a conflict (potential) and the union is there to help resolve that conflict.

LH Some of the studies coming out show that TQM failed because unions were not involved (etc.)

Certainly the union felt threatened by some of the changes going on. They try to keep calm and keep the dialogue going. The Staff Council was one of the worst things that they ever did. I think that was done out of spite. It was done after we had a dispute which had been resolved by both parties and there was a hiatus which could have allowed us to rebuild. I think that should have happened because we would have had a real punch up for years. Then we had a cap and they started issuing Staff Council dictates which eventually led us into another round of potential conflict. Speaking at TUC compulsory redundancies and so forth. Sometimes these things take longer to learn the lessons than you would assume.

I feel the Bank realises now that we have the ability to communicate better to the workforce than the management. That's the reality - and its two way communications. We are more able to articulate a view of a situation in the Bank than their own people are despite ... What's more fundamental, we can get a proper response from the staff before our communications. They actually talk to us as to what their view are. They don't talk to management because they can't trust management. So they don't tell them honest views. They'll tell management what they want to hear. This is where you need a trade union, because as a trade union we have an interface and ... role. Because we will talk to our members. We will talk on behalf of our members. We will also talk to the Employee Relations and Human Resources people. If there is a mutual trust there then we can be a genuine communicator in these. The problem is top management only want to hear what they want to hear. That is the real problem Top management don't like to hear what is bad news or negative to what their view might be. Particularly so with autocratic executives. My experience of executives by and large is that they tend to be autocratic, particularly so in the Coop Bank. Terry Thomas's particular style is more autocratic than most.

LH It's incredible when you think of the labour/coop background.

When I first came to the Cooperative Bank I had a text book concept of the co-operative movement - the Rochdale Pioneers - and I found the practical reality of what was happening in the Coop Bank a bit different from what I thought it would be. Obviously business takes over and that's understandable to some extent but not totally.

The Coop Bank in my view was driving the project as hard and as fast as any other bank and I thought that was out of kilter with their philosophy. Their mitigating circumstances was that they are a niche bank that are likely to suffer in a financial recession and that they had to do something. There's some credibility to that position but I felt they were behaving too much like a Barclays for example.

Having said that I also think at the time, the mid 1980s, late 80s, early 90s, and perhaps even now, if you analyse what's happening in the UK - the Coop Bank has tried to stretch its umbilical cord with the labour movement. That might be too high a risk. It's got too many local authority accounts that are labour controlled; too many trade unions that bank and too many individuals that associate with trade unions or bank with it.

If you look at its Affinity cards for example, its visa credit cards. Terry or the marketing department spotted a very good niche there in terms of the Royal Protection of Birds having a special logo card and people got the card because they're demonstrating affinity with that and so much is paid to the RSPB and the Coop Bank gets its card out of it. They've developed a whole range of these now. They obviously developed a Labour Party Affinity card at one stage but they went to great pains to state in their Mission Statement that they were non-political. So therefore they've got a Labour Party Affinity Card, as far as I'm aware they've not developed a Conservative Party Affinity Card but (laughs) I've said at meetings when I've asked them if they would they said "YES". Again stretching that umbilical cord to the Labour movement. There may be some other politics involved in that - I don't know. But the Coop Bank in recent years have not gone overboard in waving the flag about the Labour Party and Trade Union Movement identity. Other than when they're in that kind of company. The Mission Statement says we're non partisan and this seems to run contrary to their position that they have close connections to the Labour movement.

LH So they say one thing to certain parties but their HRM policies in-situ speak an entirely different message

I think the union view was that we establish a dialogue with them on compulsory redundancy which we didn't want but they did. They put in 5 last year in managers.

LH I would like to ask you about redundancy.

We've managed massive redundancies in the last four years. I've used the word 'managed' because at the time we were arguing with them on pay, there was nigh on 1,000 job losses with 450 and 750 actual redundancies. From a staff force in 1989 of around 4,500 the target was down to 3,200 over 2 or 3 years and we handled massive redundancies in 1991 at the time with arguing with them on pay. Now perhaps it suited the Bank to argue with us on pay provided we could get the redundancies through on a voluntary basis. It might well have helped our management situation as well because the Bank needed to shed labour and as a union which will do positive deals provided it's not brutal and compulsory we did that.

Only when it came to managers the Bank wanted to make compulsory redundancies and last year they flexed their muscles on that. They put half a dozen through the wire. Again we launched quite a heavy duty campaign against the Coop Bank and part of the dilemma we have (and the Bank see it that way) high membership in the Coop Bank and we can't let them get away with what we would argue against in other banks. Given that we've got high membership of the union we have to defend it to the hilt. We try to keep a perspective. But I don't think any bank undertaken redundancy lightly anyway.

Before we used the Ethical marketing campaign the Bank Had, we used that as a way of pointing out the contradiction in their market image and what they do to staff (used on BIFU Fligers??). Our view was ensure it's (redundancy) voluntary; up the redundancy payments to very attractive levels, because there is always in inducement to volunteer, and the offered redeployed position is not very attractive, if the money's right people will volunteer. We said to the Bank - given time, space and money, this can be managed. You don't have to prove that you're macho and just start throwing people out of the door.

The Bank have got a new Human Resources person in then called Margaret Croft who's not survived the distance because she's moving on next month.

LH There was Wyn Dignan

Oh yes, she's moved on to be Head of Quality or other projects. Margaret Croft replaced Wyn Dignan.

We successfully used the Ethical policy - we had a postcard campaign which we launched at the TUC. The Labour movement is a potential Achilles heel for the Coop Bank and to preserve terms and conditions and jobs I will play whatever card I can get my hands on. It was a good card to play. The Bank recognised having played the card we'd come to an accommodation, we'd come to a deal which both parties have signed and both are happy with it, the Bank are concerned whether we would ensure the deal would work. We were concerned that they wouldn't renege on it as well. We've had that in six months and it's worked and worked quite positively and oddly enough that's what has brought the two sides together than what they've been for about six years. That's been an interesting lesson. But I think it was only our attack on the Ethical policy and the acute embarrassment that would cause and the fact that we'd go to war on compulsory redundancies if we had to, made the Bank seek an accommodation.

But we also had to make an assessment that accommodation will be sought that wasn't a mad accommodation. You mention the name Wyn Dignan; who was partly responsible for setting up the Staff Council - Wyn had been flying the kite 2 or 3 years earlier that we were willing to put everything to the wall, that we wouldn't accommodate. We would always accommodate provided accommodation was there. We weren't going to accommodate our own suicide. Not sign our own suicide note. Not within ... line of 21st century in our position in the Coop Bank - and hopefully in all the other banks that we deal with.

LH Negotiating over redundancy - did unions have an equitable role

The recent ones or the ones 2 or 3 years ago.

LH Both

In 1990 we were very unhappy, October 1990 "The Banks had been conducting meetings with staff on their proposed branch restructuring without the union's knowledge". Furthermore the counselling process had been agreed in concept but not timetabled had already been utilised. We had not been told about it and we invoked a status quo on our agreements. In 1990 the Bank were practising TQM and going round the union ... and we received a staff directive saying these things have got to be agreed or at least be discussed before they happen. The Bank were anxious to get things done without talking to the union.

LH Do you think this is a conscious policy of by-passing the unions?

I think this was so in 1990, but in the last batch the bank has come to the view that it's perhaps best to try to come to an accommodation, because you can get it in time scales that suit the Bank as well. We've had more input with this management - there's been a higher price reached on the conditions and terms. As a result we've had more volunteers. We've been involved in the counselling process. We spoke straight to our members that if the Bank is restructuring and they can justify that restructure some of the higher level management jobs are disappearing. It's all very well talking about redeployment. Our job review doesn't offer a job for life. It doesn't .. there no redundancy but redeployment on a lower level and whether one is actually going to be satisfied in doing that job ... if the salaries okay but you obviously want some work satisfaction and so we've been talking straight to our members about the concept of that and about the fact that we've got some very good redundancy terms on offer here. If we do maintain your job security we can't maintain your job standard because the work is just not there. I think the Bank has required us to do that. They've recognised that we can do it better than they can and were saying we'll operate the agreement so long as you can reasonably maintain people in employment.

If your job status disappears there's no longer a status job there, and that means redeployment on a lower level with perhaps the same money or very good enhanced redundancy terms. It concentrates the mind. Rather than the Bank shovelling people out of the door, we conduct a campaign and get them to go another way about it.

LH So an accurate summary of the process as far is that the Bank wanted initially to avoid having you involved in these processes, seen through the initiation of TQM, setting up the Staff Council, that they tried to avoid involving you in redundancy in a much as you would like. You actually forced the issue to a certain degree?

Yes, I think so. This played on the customer co-operative role in terms of cohesion and then it happened, and we weren't willing to let that happen. We were saying if there were to be redundancies we want business plans with information in advance. We wanted to know, why, where, when and we wanted to have the opportunity to look at that via individuals. We established two things which the Bank wasn't doing before - a voluntary redundancy register which allows people the opportunity to have redundancy money and disappear tomorrow. But their job, of course, is disappearing. A voluntary redundancy register allows you to find out if there is a lot of applicants who would take redundancy.

Out of that register we established a 'mix and match' process. I think the Bank have called it a 'knock on'. The 'mix and match' being that if someone is in a job and their job is not disappearing, but someone else is in a surplus position in another department due to restructuring, you simply swap them. And both of them are happy. The person who was surplus has got a job, the person who had a job and didn't like working for the Bank anymore and wanted redundancy, has got redundancy. To a large extent that's how we'd like it to happen.

The latest batch of redundancies we had, about 86. We probably had a dozen or so 'mix and match' which is not as many as I'd have liked. But I can say it's a significant number. It's about 15% to 17%. Similarly with the Bank being massively restructured with the union asking for the establishment of the voluntary register in the first place, we actually got quite a lot of volunteers and the Bank have been able to manage the way in which surpluses emerge.

Because obviously the minimum pain is if you're actually restructuring a department and 5 or 6 people have already volunteered for redundancy on a pre-existing register, if surpluses are actually declared or surpluses emerge, if there are some 5 or 6 then there's no problem with anyone is there on that basis. No one feels pushed because the surpluses were announced afterwards and all voluntary redundancies are those declaring they wanted to go.

That's happened to a greater degree than what staff realise and perhaps to a greater degree than the Bank have acknowledged with us. So we're relatively content.

We're not happy about any job losses. I think some of the job losses are unjustified but we're not in control of that. We're not making the ultimate management decision. Interestingly enough what we offered and Terry Thomas backed off a mile, when the Bank were talking about TQM in 1988-89 and Staff Councils and Works Councils in 1990-91, a various points in the discussions they announced that they wanted the union on-board as it were and co-managing with them on the structural change, but we did actually suggest the idea of a WORKER D...FLOOR on more than one occasion - they backed off a mile.

But another way forward is how can a union be genuinely involved at the macro level in decision making instead of just being a cipher for the managing structure. To change this requires an absolute change of will of the company and in the current economic culture we've got doesn't seem to be there. TQM would be a good concept if we all had a vested interest in making it work, but they're also frightened to death of that type of concept.

A lot of Banks are still going down the PRP road. In our view it's demotivating, demoralising. Its an excuse for holding the wage will down and not sharing the rewards out. It causes a lot of complications. I think if the employment situation changed you'd finish up with a demarcated differential argument again in white collar.

In America they're saying that PRP doesn't work, and one or two companies in the UK, but the banks seem to have got their head in the clouds.

LH How does the Coop compare with other Banks? Collective bargaining, etc.

We've had massive problems with the Coop. At the moment, it has to be said that some of the hard work is coming to fruition and the relationship has been more stable than it has been for some time. But 12 months ago, if you had asked me this question, we'd have seen difficulties with three banks, and one of them would have been Coop. We say the Coop as a permanently difficult bank in the 1990s. It probably might still be. I hope it isn't and I hope we've got the basis for a way forward.

But I think all the banks and the financial and service sector, and they did get hit after the Lawson boom. I'm not concerned about the bad debts whatever reasons - they've used bad debts as a psychological motivator to sweep out staff when some of that sweeping out was going to be done whether they were making money or not making money. They've all behaved, I think, differently. I don't think the trade union has had that easy a time with any of the banks. Having said that, the banks will all say we've had a difficult time in the finance sector. There's a lot of competition. It's probably overbanked, and we've got to survive. BIFU doesn't welcome this harsher management regime that emerged at the beginning of the 1990s and still seems to be there in most major banks. So I find it difficult to differentiate Coop greatly from other banks. They've all tried or had compulsory redundancies. They're all ringing PRP in and getting rid of increments. They're all treating staff a lot harsher than they used to. The old patronage is gone. That's been a great culture change and a great culture shock for both the banking staff and I suspect for the union in the early 1990s I think the union are going to have to come to terms with this massive culture change as well.

So I wouldn't differentiate the Coop that much from anyone else. Ken Lewis would say 0 would probably talk to us more than what other banks do. One thing he has been reasonable about it consultative meetings on the accounts. In fairness to the banks that has to be said. They've always been willing to have an open dialogue on senior consultative meetings for instance. We sometimes embarrass them but not

often and we don't go out to embarrass them on that, and that if I think I had to give them a public accolade - I think I would on that.

Although I understand a number of the banks do but I know that a number don't, and we've never had difficulty there with the Coop Bank. On consultation the Coop's not too bad. It's only when you get to negotiation because they still believe in the divine right to manage and Ken Lewis maybe dreams about it, I don't know.

LH So when you say consultation it tends to be a cosmetic exercise. So if you agree with what they say they're happy?

It depends. A consultation on staffing reviews which is about jobs, I think sometimes is a cosmetic exercise. We don't push them that hard on business rationale. We should do really - force them to make a business case for every restructuring exercise they have.

In the early days they had a rationale that the bank was losing money and on the whole they had some justification. To be fair to the bank they've lost money for the best part of three years and so there's no point in me chasing every job on an individual business rationale when the bank on its annual accounts is losing money and is taking money from its reserve.

Certainly in the next 12 months the Bank's about to return to profitability and that's no secret. The accounts are to be published at the end of this month and it's the best year they've had since 1988. I think that they might find that if they come in for large numbers of redundancies they might find that consultation might prove a bit more difficult. Because it can't be justified for getting rid of the jobs for the job's sake. I'm hoping that the worst redundancies will be over.

Yes so some of the consultation has been a little bit tokenist, but at other levels, as I said in the early days when they had the loss on the accounts, and they gave us a full presentation of the accounts, we've asked a number of in-depth questions on those accounts and they've had their financial direction in there giving answers. If we don't ask the questions, you don't get the answers. That's up to us. To be fair to them, they've done that and I can't complain. Again, I think we've proved that. About 4 or 5 years back, they were sending out accounts to the press and not giving them to the union which is bad form.. When we were reading about it in the Financial Times and getting them two days after that. That practice has changed.

The Bank recognised that if a) embarrassed them and b) was only sowing seeds for further conflict. So there's been a bit of cooling down of the macho style.

LH Union membership is around 90% - has there been any lessening of support for the union?

No! I think the union strategy throughout that 4 or 5 year period has been a highly successful one. I think there was a distinct attempt to cleave off staff from union membership. That was led from the top. Terry Thomas was a life long BIFU member at the time we were arguing with the Bank about pay, resigned his membership. Let it be publicly known in the Bank he had resigned. And encouraged others to resign. There were one or two senior managers - Wyn Dignan being one of them in Personnel - but not many did.

There was a concerted attempt to get people to sign individual contracts at the height of the dispute. It did not succeed. They have tried to dent the membership but they haven't succeeded, and I think they recognise the public profile of that means that damage can be done to both parties, and what's the point of that. We're not in business to damage each other, we should be able to sort it out and go forward together.

One thing that does worry us, is this flexible auxiliary non core staff. It's like getting back to the 1930s and the old dock labour practices - they haven't got "2000 Contracts" at the Coop Bank but they certainly have got a lot of people who are on the register who are doing 17 hours a week or 13 hours a week. Auxiliary contracts - no pension, no holidays, etc. and very little rights. They tend to be centred on Skelmersdale. There's about 1,000 staff in that centre and I suspect that there's between 200 and 400 auxiliaries being utilised. It's very hard because by the time you get into full time equivalents in hours and all that - if you're using a pool or auxiliary labour at different times and places and they say they're using 100 full time equivalents - they would be using 300, 400, 500 people because of limited hours - 8, 10 hours etc.

I think that they don't often know how many they've using either. I think they're recognising that's not quite working how they want it to either. Because they have problems with motivation. You've got a dichotomy. The Bank is purporting to present a quality service to its customers, and if you supposed to be presenting a quality service you still need a core, or if its a peripheral labour force. A labour force that's motivated and able. You can't just take people off the dole queue, pay them £4 an hour and think that they'll be motivated. Yes they'll do the job. Yes they'll turn up but some of the stories we hear - people who are auxiliary staff swearing at customers down the phone. They're getting

so fed up with the job. The Bank has done its best to reduce that by taping all phone calls but the issue from our point of view is employ quality staff, pay quality rates - that's what the market's about. If you pay peanuts you get monkeys. And if you're selling ethical banking you ought to be hiring quality staff. If we had a worker director on the Board that's what we'd be saying.

That is a worry and we're recruiting members in all those areas and we're trying to get that back on the negotiating table and building some safeguards. Again that's not impossible. Perhaps the best example is First Direct. It's growing rapidly and all the other banks look at it endlessly, but they've got good agreements with BIFU and they've got staff who have flexible hours to suit - and it suits both the employer and the employee, but they've got good quality agreements. They've got good training courses and if you speak to any staff in First Direct they've got fairly highly motivated staff. Reasonably rewarded. It's a separate company but under the Midland Umbrella.

It's certainly my view that in the period 1989 to now the Bank tried to take us out of the frame. I think the Bank wanted to put us into a position where it would have been easy to derecognise us. But we think we've forced them to rethink their strategy and I think it's been for the better.

LH has a diatribe at this point on HRM and its contributions.

I'm involved with PRP at the Coop Bank at the moment it's got a lot of fancy attachments to it, it's looking more like the old matrix they used to have and they've got a problem with the grades and the obvious solution is to go back to increments. But they won't do that because they've only just got rid of increments. But I think they'll go back to increments in a few years time. PRP doesn't work - it demotivates.

Appraisals themselves when it's linked to PRP and the administration that involves and the work that is involved a) it can't get done properly because of the work that is required, b) what does get done takes a lot of time up - and the cost-benefit analysis of it is dubious. I think I'd like to see PRP disappear but I think we're a few years away from that in the banks. I'm surprised they took it on board really - a good set of consultants must have got in somewhere among all the banks.

LH Diatribe on TQM band wagon effect - quite good analysis

We've got about 90 office reps and senior reps and we do one day update courses for these people which I tend to put the

day together with my seconded rep. Copy of what we've been doing for the last 2 or 3 years. It's stuff which has been going in a simulated form. I think I surprised Ken Lewis by giving a parallel course on TQM etc.

Documents showing the key issues at various times and dates:

HRM ISSUES AND POLICIES INTRODUCED INTO THE COOP BANK

TQM; Staff Council; PRP; Flexible workforce; redundancy; restructuring; delayering.

Collar and Lap

This is used in mortgage terms a limit on the number of free time staff or auxiliaries they use - we'll sign an agreement if it's no more than 10% of the workforce and no further cuts in this number of cuts staff - but they wouldn't give me that at Skelmersdale. The Bank wanted us to sign an agreement but we didn't because we didn't get what we wanted.

EMMA BURTON

COOPERATIVE BANK

Clerical level - Collections Department

5 years service (3 years in Brighton)

Interviewed 2 September 1993

1. What is your educational background?

7 '0' levels college Business Studies. Moved to Brighton and started at Brighton Branch, stayed 3 years. It was good but centralisation took place and was asked to move up here. Then moved to Manchester to a totally different working environment. It's a lot different working with 50 colleagues than say 20 you'd see in a branch.

2. How do you view the idea of democracy?

I do to a certain extent but we don't know enough really.

3/4 Do you think there is the same amount of democracy in the work place as in the world of politics? If no, why not?

Work place - more democracy.

LH Do you have a considerable say in the way you work and over your work generally.

No, because I think a lot is to do with budgeting. Targets - work's got to be done. Work's got to be met and how it's met. You don't have a great deal of say. You have your suggestions etc., your complaints. You can only get listened to, to a certain extent because they've only got so much money to spend. If we need more staff, we cannot have more staff because we can't afford it. Sometimes you can change things but it depends on how big the change is going to be. Often they do try.

5/6 Do you think it is possible for employees to have total control over work conditions, or is this only an ideal? Do you think this ideal is desirable?

No, because you've all got to work together and there's certain work that's got to be done at certain times.

LH Do you think you should be consulted more about your work?

Yes.

LH Would you want total control?

I wouldn't want total control - with the rest of the group.

7. What do you think are the essential elements of democracy in the workplace?

(Answered)

8. Do you think employees should be consulted in the formulation of workplace decisions?

(Answered)

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

(Answered)

10. Do you think employees should have more rewards for having more responsibilities?

Yes, Definitely.

LH Why?

It could be argued that that's not in our job description. And often if you're covering somebody else it could be somebody in a high grade - if you're doing a higher grade job you should be paid.

11. Do you think employees should have more rewards for being more participative?

No, you should expect to be involved - considered in promotions but not necessarily rewarded.

12. Do you equate participation with having more responsibilities?

If you make a suggestion and it went much higher, it should be acknowledged who made that suggestion. For example if there's a manager in the meeting, he shouldn't get all the glory.

LH So If you come up with a brilliant new way of operating something and you've saved the Coop Bank thousands of pounds you would want that acknowledged?

The do yes. They do get rewarded if they make a suggestion that has to be sent through to a suggestions board.

LH So a suggestion box scheme exists already?

Yes.

13. Do you think participation and involvement of employees changes with economic conditions?

Yes definitely. In Brighton when I was there. There were jobs here, there and everywhere and the turnover of staff was ridiculous. People were lasting a week or 2 weeks getting bored and going out and finding a different job. Nowadays you don't find that at all. People cling on to their jobs and work a lot harder.

LH Do you think that's a good thing or bad thing?

Good thing, it brings more stability and doesn't waste training.

15. Do you have considerable freedom to adopt your own approach to the job?

Yes, you can to a certain extent but there are certain procedures that have to be followed.

16. Do you work with people who cooperate well with one another?

Yes, generally.

17/18 Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

We should have more meetings. We're not having meetings because of the work loads, shortage of staff. The meetings had to go out the window otherwise the work just wouldn't get done.

LH If you had more staff you could have more meetings?

Yes.

LH And you'd welcome that?

Yes, because it makes people's morale a lot higher.

19/20 Have you worked in another country/organisation?
If 'yes' how does the co-operative bank compare in terms of participation?

I worked in Royal insurance for year after I left college in Birmingham.

LH How did that compare with the Coop?

I don't know because it was totally different. It was an insurance company.

ADDITIONAL QUESTIONS

Other Areas

'Them and us'.

Oh yes. There always will be. I don't think you can stop that.

LH Can you give an example?

For example as for as we can go with our suggestions. How far our suggestions are taken. How far they do listen. You've got to have a certain amount of respect for them and accept what they (senior managers) are saying. And that's it. Otherwise that is where the 'them and us' attitude does come in. But you can't change that. You've got to have some discipline.

Trusting environment.

They allow you to get on with your job to a certain extent but the slightest little bit of wavering and they're on our backs.

Strokes and/or acknowledge efforts, do people appreciate that?

Yes, I do.

Loyalty to the firm and expect reward for being loyal?

Yes.

(Newcomer frictions with long service employees (not taken down verbatim)).

Does threat of redundancy make you more conscientious with your work?

Yes, I would work harder (if redundancy was threatened).

How important is stability and consistency in your work? Do you like challenge and change?

(Answer given but not of great interest).

LH Union member BIFU.

I was until about a month ago.

LH Do you think BIFU represents you in terms of communication?

BIFU helps a lot. It gives you a lot of answers. And a lot quicker than if you went through the bank (about work, salary, etc.).

LH Is there and reason why you left?

Yes, because I was skint!!

DAVE CLARK

COOPERATIVE BANK

Union Representative - Archivist Clerk
13 Years Service

1. What is your educational background?

When I left school I went to 2 year full time engineering course at the Civil Engineering College at Birchum Newton or CITV. I was 6 years out on site and made redundant, 1974 and worked fork lift truck instructor for a Swedish company. I worked there for 3½. I've also been a PSV driver (Public Vehicle) and last 12½ years at the Cooperative Bank.

LH Do you like working here?

I've never liked working with the Archival Department because being with the bank 12½ years we used to have a building at Kirsley which was supplies stationary and archival. The bank decided to outsource the supply side 2 years ago and we were left with nothing to do but the archival work.

LH So what did you do in your 13 years besides being here at Montfort House?

I was at Kirsley on the supply side, supplying all the branches with stationary. There were goods in, good receiving. I was deputy head messenger. We had a head messenger over the ... but the job got that big he was doing vehicle work and I was doing the manual work and looking after the lads rotas during the day. Because it was always on the go we thought it would grow and not be outsourced. It was a bit of a shock not only to the lads in the workplace but the office staff as well. There used to be 21 people employed by that particular department whilst the bank decided to outsource it and move the archival to Salford it was a bit of a shock. However, until this day the warehouse 2½ years later is still being used and there is a possibility of using half of it.

The major problem they had was when they decided to close Kinsley which was a 40,000 sq ft warehouse and bring the contents into Salford which is a 30,000 sq ft warehouse with other departments in it. I don't think they realised how large the archival area was. At present in Kinsley there are 15,000 boxes they can't put anywhere.

LH So in other words if they had have consulted people like yourself they would have had a much better decision?

We think so, yes. Unfortunately a lot of companies supply people on project teams who are maybe good at what they're good at but when it comes down to practically moving a box from A to B they don't see the implications and they don't ask people like us. It all works on paper but when you try to do it in theory it lets itself down.

LH Was there channels of communication to get your views through?

No they used to have meetings at Kirsley when they were planning all this you'd see faces you'd never seen before and they would obviously consult with the management side but occasionally come out and ask how heavy is a box. How do you transport a box that was - these were all well paid high ranking people in the bank but 2½ years later we're in a worse position than we were at Kirsley and these people are still roving around the bank.

2. How do you view the idea of democracy?

Politics to me is better left to the old fellows. I haven't got much time for Democracy. We people say we have the freedom of speech but I think it's rapidly changing.

3. Do you think there is the same amount of democracy in the work place as in the world of politics? 4. If no, why not?

I think a lot of people don't want to get involved. It proves it when you do local elections you can see that the turn out is very low. My wife is actually a conservative, she reckons her standard of living has increased. The average person doesn't want to get involved.

LH Do you think that's true of the workplace?

Yes, because you find out it's always the same people who make decisions. If a recommendation is put forward by management it's always the same people who say "hand on a minute it is going to affect me?" If you can hear his view and his view is taken in mind by the rest he may get the backing. If he's obviously on his own then people shy away who then little comes somewhere. It depends what the changes are. If the changes are as done in this bank, little changes at a time, and people say it doesn't affect me yet .. if it's a major change and that it affects the whole staff then people stand up. But people in the workplace don't normally back each other up.

LH What about the Union?

I'm a union representative purely because of the changes at Kinsley we wanted to be heard because of the changes the bank were doing to us. We were astonished to find out that 4 years since opening at Kirsley they (the union) didn't know we even existed. We got involved in the union and we had ... the management at the time respected the union, but the management these days is changing. We're going to become slightly Americanised and the Americans don't want a closed shop, they want employed and paid the rate for the job.

The union at the bank has never gone over the top to try and destroy the bank in any way shape or form, but I think to keep the bank in line with the changes the bank wants to make, unfortunately I don't think England is run by England anymore and obviously the changes taking place in industry are not English minded. If the unions had not been there the changes would have been far more rapid. The unions are not as strong as they used to be through Thatcherism law changes, but fortunately we still have them and we still help the employee.

LH Do you think peoples participation at union meetings has declined?

Yes, because unfortunately you have become a marked person. You see often managers coming to union meetings as union members and they look around and if you were to speak your mind or your opinion then in this day and age ... I was sent to Coventry for opening my mouth when we were first moving here which I know was being pinpointed because of my opinions. I am an outspoken person but I will always ask the lads I represent what do they want? I'm not doing it all on my own. I'm not trying to stand on a wooden box and say "this is what I want." It's always what the lads have wanted. If I don't agree with what want them I'll tell them you go spokesperson because I don't agree with it. I think what happens on this particular bank is you individually put targets, but they should understand that you're only being a spokesperson for the rest of your staff. To pick on individuals is wrong and in the past this bank has picked on individuals.

LH And did you feel you were one of those?

Under a certain manager. I didn't get on with this particular man. And he didn't get on with me and he was one of the old school, if I didn't do as he said he would ...

Some managers you can work with, some you can't work with, it's the big heads you can't work with. As we've seen the 2½ years we've been at Salford ... the circumstances we're on now is because of that type of management. It's been very costly to the bank as well.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

Now the emphasis has been put on managers heads. Here we have a manager who, if he thought something was unsafe he does something about the health and safety are become stronger than they used to be. They're imposing fines and even imprisonment. The work conditions at the bank, I must admit, are pretty good; and if something has to be done then the Bank will do it. Maybe not straight away but they'll do it.

7. What do you think are the essential elements of democracy in the workplace?

Talk about TQM. It's a good idea to involve the workers in any meetings and inform them of any changes. Unfortunately the biggest problem we have here is staffing levels. The work load has increased staffing levels have decreased and you don't have the time even to book a day's holiday.

LH In other words staffing levels have been cut back too much or they haven't been increased enough?

Yes.

LH This prevents the ability to hold meetings.

Yes, that's right. We often go to the management and say "can we have a meeting?" He might say "we're a bit stuck." It's a type of job that has to be done, and unfortunately we can't always hold one. If we have got the time and work is a bit low he never refuses a meeting, but I believe in some departments of the bank you have no chance whatsoever because of the work they've got on.

8. Do you think employees should be consulted in the formulation of workplace decisions?

Yes, definitely.

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

It depends on the type of work that's being done. If for example a person who is operating the mailing machine downstairs which is mechanical, he would obviously be in full control of that machine and also speeding it up when it shouldn't be speeded up because of the health and safety aspect. As we know people who work on machinery are controlled by machinery. People who answer phones can only answer the phone when it rings. It depends on what job it is. This part of banking is more like a factory environment. If you are in a banking hall then you are controlled by how many customers you get or by the telephone.

10. Do you think employees should have more rewards for having more responsibilities?

Yes mainly financial.

11. Do you think employees should have more rewards for being more participative?

I think if people get rewarded for coming up with new schemes which could be helpful to the bank. I think the bank already has something like that, like an ideas scheme. Yes the bank has got schemes like that, unfortunately people are not encouraged enough to think.

LH There are strong moves towards flexibility

Yes, we've just done that in our department we were basically 8:30 - 4:30 work but what we found out was that for convenience in getting to this new Salford site, for example I live on the other side of Wigan, travelling was increased and also traffic. So we worked out if we came in earlier and finish earlier is beneficial to both me and the bank because you can get stuck in and do an hours work before the phones go with the branches phoning you up. We've now got it on a flexible shift system so we now cover more hours of the day than just 8:30 to 4:30. We now cover 6:45 to 5 o'clock. It suits everybody.

LH What about doing different jobs - is there much flexibility there?

Personally I like doing different jobs. I like to get more experience from any job we're doing. Unfortunately we have a job description which puts you into a grading level. If you increase the job description you increase the number of points which increase your final grade. Because of that the bank tends to keep you in one place. Most people would like to become more flexible, but I think that if you upgrade them, you have to pay them more. There's an argument for both. How much do you get paid for doing what job. The bank's argument is you can only do one job at a time. If you can cover ten jobs you're obviously more helpful to the bank because you're more flexible but they won't pay you for what you're not.

LH So in other words they encourage you to be more flexible but you don't get any more reward for it, and you think you should be.

I think we should be. If a person's prepared to ... for example last week we had both of the supervisors off and we had a young ... I took over the supervisor's role (which I've done in the past) I got nothing for it. At one time you used to get deputising pay. The bank has done away with that now. What they're saying is a lower grade shouldn't come into a higher grade's job. It should be a higher grade who steps down to do a lower grade's job. That doesn't encourage me to step into the supervisor's role. However it could be more damaging if the manager of that department says "if you won't do it I'll find somebody who will." So eventually you get knocked down to the bottom of the pile anyway. It's swings and roundabouts. I'm prepared to do it although I'm not being paid for it, because it's more experience under my belt.

12. Do you equate participation with having more responsibilities?

Yes. If you participate in one section of that particular job. I find that the type of manager I have at the moment ... if we're in a field and we want to get a fork lift truck to the building. He has no experience of fork lift trucks but I have 3½ years experience at Brignall. He is not ashamed of coming to me and saying we need a fork lift truck. I know nothing about it, will you take on the role and advise him. He's a good manager in that respect and it makes you feel better. It's a pat on his back and it's a pat on my back. I think that is only between individuals. Some of them wouldn't even consider asking a lower grade person.

13. Do you think participation and involvement of employees changes with economic conditions?

Oh definitely. In the bank we've gone through quite a few changes which as a individual employee would blame the senior management for making the wrong decisions. Thinking of how they've gone about the changes and the reasons why they've brought about the changes. They have come up with some ideas that have been very costly to me as an employee. One being what they call the Ultra Account. I believe it cost £10 million to put out in the market. The returns back on it seem to be very very low.

There's also the fact that senior management decided to invest in an outside firm 'Pavilion Leisure' investing £45 million which went into debt which obviously affects me as a person.

Senior management in this bank haven't been the best. They're getting better but they learn the hard way and every employee has suffered under it, because we have lost over 1,000 workforce either by voluntary redundancy or by natural wastage.

14. How does work place participation operate in your department, i.e. your place of work?

Quite good because we're a team who have been together a while. We operate as a team and any ideas are put forward in regular monthly meetings. We put forward ideas and if they work it's good. It's good in my department but I have heard that in other departments there's no participation between employees and management and the jobs are very boring. If the economic situation was better, I've heard that over 50% of the staff would have left by now. Because the job is so boring and when they try to make it more interesting by putting it on rotation they don't want to know.

LH So it does vary in the organisation from department to department?

Yes.

LH There's no homogeneity?

No

LH Do you think there should be?

Oh yes. If someone is answering the phone all the time and you take them off and put them onto a VDU or whatever - you get more from the. If you set somebody up in front of a screen all day and say type these numbers in that box then obviously they're going to start wandering. We see mistakes of cheques that should have been punched for £10 is punched in for £100 or £1000 even. But that's purely because the type of job they're doing is monotonous. If people changed round more often they'd make less and less mistakes.

15. Do you have considerable freedom to adopt your own approach to the job?

No, not considerable. Most jobs have procedures. But what I like about this job is that it's segregated into urgency and non-urgency. Nobody comes and says this is the one you do. You can pick and choose the type of work you wish to do. It's as free as you can be. We're resourced controlled. Each individual knows the target he has to reach and we reach it.

LH You get enough freedom within the constraints of the job *(Some information here on what he does in the job)*

16. Do you work with people who cooperate well with one another?

Yes

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

The word measure. We have had situations here where we have had individuals monitored on the amount of work they are doing. But because of the type of work - if for example you had ten requests from Cardiff branch and ten request from Wigan branch. Unless you knew the work ten requests from Cardiff could take you 2 hours and the ten Wigan 10 minutes but if you looked on paper it doesn't explain why it took 2 hours to do the Cardiff ones and ten minutes to do Wigan. In essence the person doing the Cardiff work might do 30 request all day and the person working the Wigan requests do 300 all day. And all they've got is figures. There's no reason why and no explanation and people are being targeted. They were saying "you've done well. You've done 150." And another person who's done 125 was said to "why have you not done 150?"

Unless they asked you and you could explain how the work was done they would gain the wrong impression. They were trying to measure individuals like that. This again was an idea from management. From a project leader who had no idea how the information was collected in the first place. It was an idea thought of in head office. They didn't even come down here to look at the type of work we were doing and thank God we've just managed to get rid of it. It was causing people to cheat. To go in and get the easy work first and leave all the hard work for somebody else, just because it was a numbers game. That's why we had a meeting with the present day management. We explained the situation. He fully understood and now the pressure's been taken off people to cheat and now we act as a team. Now all our figures are evaluated at the end of the day and it's fairer to everybody.

LH Do you think there should be other consultation procedures? You've got the union, team briefings

We have team briefings about once every month. We may have more or maybe slightly longer depending if there's any change in the work. It was something that we always wanted, when it was just a manager level we used to find that they would come up with an idea and this is what we want doing. This caused complications. That would then come down to us and we would say that's impossible to do that in that time. Between us and our first level of management it was good but about that nobody was ever consulted and that's where the problem arose.

The problem with this bank is that say 5 levels - a grade 3 to a grade 13 which is manager level - they have about 8 different categories of person from a grade 3 to a grade 5 supervisors to a grade 7, 8, 9, 10. The more complications you've got when they are passed down. Everybody seems to pass the buck. The lower graded you are - you would end up with either no responsibility or a lot of responsibility. The people in the middle - unfortunately there are too many grading structures in this bank.

LH So it needs to be flatter?

It needs to have not as many grades as it has got at present. There are some departments with 4 supervisors and 4 workers. We had 4 workers who had 2 supervisors who had a supervisor over those two, who had a project manager, who then had a senior manager over him. In fact there were 6 managers, a couple of supervisors and four workers.

LH Has that changed much?

It's changing, but the bank creates jobs for persons which weren't there and they're getting slots in between manager and worker and that's a bit hurtful as well. Jobs for the boys we call it.

18. How do you think such measures could be improved?

When we talk about restructuring and how the bank could be improved, if it got it's act together and encouraged the lower end say people on grade 3 to have more scope, responsibilities and flexibilities, I think the ground troops, if they were given more idea of what was going on in the bank - consulted more, team briefed more - I think you'd get a far better response. We've certainly found out in this department now (there's no secrets between management and workers), obviously there are things which are management discretion only but I'm taking about the type of work we're doing now, not about where the bank's going - if changes are to be made - we're told early enough about them; we're consulted on how we should go about them, how it would affect us, how it would affect them, I think this would make this department a far better one to work in.

Although I personally don't like the type of work I'm doing - I can see the changes in the last 12 months because we've changed management. We were under a management who told us nothing and never asked us anything. Just implemented changes there and then. Under this management it's as though you've got a new job. People are consulted far more and people are actually smiling now coming into work. There's still the money aspects but you can see that people are getting on with their jobs a bit more and a lot of the pressures of 18 months, 2 years ago, have been erased (late 1991 to mid 1993), only because people have been consulted by management. In other words take away the names and numbers game and we'll replace you by working 7 hours a day instead of skiving for a couple of hours and going hiding because they were bored. It's not a bad department to work in now.

19/20 Have you worked in another country? If 'yes' how does the co-operative bank compare in terms of participation? Have you worked in another organisation? If 'yes' how does the Co-operative Bank compare in terms of participation.

The other companies I worked for were very different. In the building industry you have to work together. If six people are building a house then you rely a lot on other people. (*Description of building trade*). It's difficult to make a comparison.

Departments vary quite a lot in the way they work. Some have had problems like in the new building over the road. These problems are often created because they do not consult the person who's going to have to be doing the job. They just move a chair here, there and everywhere. It's just done and they have problems. It's all office work over there.

ADDITIONAL QUESTIONS

Other Areas

LH 'Them and us'.

Definitely a "them and us" attitude.

LH Training and E.I.

No training is costly because a person is not working while he's learning to do something. For example in this department we've just brought in computers but only one person's been trained and he's expected to pass it on to the rest of the people.

LH Cascading?

That's right, but unfortunately bits get left out as you go down the line. The bank should spend more on training. Not just a quick day on training but go away for a decent course. For example last week we had two supervisors down (ill?) but had nobody who could run a computer, which is a vital part of our job. Through pure trial and error we managed to get by for the week. I haven't been trained on the computer. I've only been shown by somebody else. So it's a question of picking it up when you can. Because of the staff levels there is not time for training. Certainly the bank ought to look at it's training procedures and get it together, because if you are trained to do the job you can do it better.

LH Trusting environment.

I don't trust management. I trust my manager as much as I possibly can. Senior managers - no. Because even Derek (my manager) is not told what is going on. There's changes made to this bank which are denied and you categorically know they have gone on. We've had European involvement.. We know the Yorkshire was taken over by the Aussies. We know that Lloyds have Spanish connections and we ask the Bank have we any European connections at all - are there possibilities that we will be taken over. We have a lot of foreign visitors come over and we can't believe everything. It's shed a lot of it's not really profit making bits like the Handybank, Fast Lane, whatever - it seems to be gunning

itself ready for a buy out. They don't want to buy something's that's losing money. They want to buy a going concern. It's always been a threat that because we're such a small company with some large accounts we're a threat to buy out. The day it happens we won't know until we read about it in the paper, so you can't trust management.

LH Strokes and/or acknowledge efforts.

Yes we do. Everybody appreciates a pat on the back. But if you have an idea and the idea's gonna work the supervisor may gain credit for it. That has happened in the past.

LH So you want to own your ideas?

That's right. You say to the supervisor "Hay that was my idea" and he says "I've added to it to make it better," but he hasn't told the meeting it's your idea, and he's just gone and done it. So then you tend to keep quiet. The manager we've got here will come and ask and give you a pat on the back. I think that solely depends on the individual.

LH Loyalty to the firm and expect reward for being loyal?

No. I come to work to get money to pay bills and go out. People should be paid for what they are worth.

LH Does threat of redundancy make you more conscientious with your work?

We've already gone through redundancies in the Cooperative Bank. I have been made redundant three times before starting at the bank and a manager said to me "There's one thing to be grateful for David, you won't ever be made redundant again because the safest job in the world is working for a bank." Here we are 2½ years into a recession and I've seen over a thousand staff disappear. Some under the voluntary redundancy scheme and just lately we've seen managers going under compulsory which this bank before the security agreement with BIFU. Not that's happened that's another reason why we don't trust management because they've broken the job security agreement.

LH Do you think that's the general feeling amongst the workforce?

Oh yes. Now that these managers have gone. We're thinking whose next because we have people who are on what we call 9572 which are staff who are surplus to requirements. We also have staff, who under the restructuring may be used to be a grade seven but that work no longer exists and they now do the work of a grade four but still being paid as a grade seven. So the bank are paying £10,000 for somebody who

should be paid £5,000. So those people are under threat as well.

They promised us in 1993 that there would be no clerical redundancies. Let's see what happens in 1994.

LH How important is stability and consistency in your work? Do you like challenge and change?

Personally I love a challenge. If the bank were more open and more honest about its involvements and where it was going and it took away the threats of redundancies and it took away - and it showed you this is where we're intending to go and it was far more trustworthy - I think stability and persistency would improve. Because people are always wondering "what are they going to do? Where are they going to go? Whose gonna be next? I think consistency and stability are both drastically affected. And also there's a threat that if I'm pinpointed as a person who likes opening my mouth at meetings then you're picked upon. There's a lot of people who actually come into work who socially are the life and soul of the party, but as soon as they come through the door never open their mouths until they go out. They want to get out of the door by half past four. They do the job while they're here. But you can walk around the bank and it's like walking around ghost towns.

Four and five years ago you could have a laugh and talk but now the threats there and that's purely the bank who put the threat in there and obviously affects output.

In banking unfortunately it's very slightly old school and bank managers image was having a bowler hat and umbrella and briefcase and that is still to some degree the image of banking but banking is changing so rapidly now that managers are beginning to realise that the workforce is a very important part of the banking system.

STUART CROWE

Supervisor
Archive Section - 9 People, Service 5½ years

CO-OP BANK

Interviewed: 26/8/93

Supervise bank records and retrieve them when requested. 9 people employed to do retrievals. 5½ years service - before worked as a payroll desk before that.

Interview Questionnaire

1. What is your educational background?

Secondary Modern School - no formal qualification

2. How do you view the idea of democracy?

In favour of democracy. Everybody entitled to an opinion and share it.

3. Do you think there is the same amount of democracy in the work place as in the world of politics?

It's certainly not as democratic in work as it is outside.

4. If no, why not?

Because you can have repercussions in a work place that you wouldn't get outside.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

I don't think it is possible. To a certain extent it is but you can't have total control, No.

LH It's possible to have a certain degree of control?

Oh yes. I would think it is. This bank promoted a TQM course that everybody had to attend, which was aimed at this type of thing but obviously you've got no control over budgets so you can't have total control.

6. Do you think this ideal is desirable?

The obvious answer is "yes" but I think I'd have to think about that.

7. What do you think are the essential elements of democracy in the workplace?

We should have meetings, which we try to do from time to time, where everybody can air their views. Any good ideas that turn up can be implemented.

LH Do you get regular meetings?

Not that regular, not as regular as they should be. The idea was that we were going to have one a month, but it's like everything, as you get busy then tend to be pushed to the back and not deemed to be as important as getting the workout.

LH What are they - like team briefings?

Yes - team briefings.

LH They've taken place here

Oh yes.

LH In these meetings do the staff get a chance to ask questions?

Oh yes.

LH So it's a two way process? It's not just an informational channel?

No. If Derek held a meeting you can ask him questions and if he couldn't answer them at the time he'd go away and when the next meeting was called he'd hopefully come back with the answers.

8. Do you think employees should be consulted in the formulation of workplace decisions?

Yes, Because obviously people who are at the sharp end are important.

LH Do you think people's expertise is consulted enough in formulating company policy?

No, I don't. This TQM and team briefings are all very good ideas but we don't carry them out like we should in my opinion.

LH What's the reason or this? Purely work overload?

Yes. We've just moved into this premises recently and it's created quite a few problems. It's time really - just time. Hopefully when we get ourselves sorted out and backlogs have gone we'll be able to do it.

LH Being on the managerial side, do you think some staff didn't like the meetings very much or would they welcome them.

I think they would welcome the. I know they would. I'm not managerial, I'm just a supervisor.

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

Yes, I do think, but it's difficult to say how much. But if you expect people to just go way and do what you tell them, even though they might think it's wrong - if they come up with a better way - they are at the sharp end - you just listen and change accordingly.

10. Do you think employees should have more rewards for having more responsibilities?

Yes.

LH Why?

People are going to put more in the job if they're going to get more out of it.

11. Do you think employees should have more rewards for being more participative?

Yes. That operates here. People have an assessment at the end of each year, which hopefully is fair and is supposed to reflect your output in the year. Obviously the greater the output the greater the reward.

LH Do you think people should be rewarded for being more flexible in being above to do a variety of tasks?

Yes, I do really. The bank are obviously saving money because they are asking people to be flexible - so yes.

LH Are they trained to be more flexible - formally or informally?

Yes. Obviously they are. If they wanted to take somebody from Archives, for example, into the mailing room (which has happened) because they're short staffed, yes you would need some kind of training. It wouldn't extend to more than working next to someone for half a day or something like that.

LH And that's useful to the organisation and yourself?

Yes, I do. It saves on costs for example bringing in temporary workers.

12. Do you equate participation with having more responsibilities?

Yes, obviously the more responsibility you have the greater say you have.

13. Do you think participation and involvement of employees changes with economic conditions?

I don't honestly know. Since I've been with the bank we've only ever been in recession. I think people are fearful for their jobs and whether that makes any difference or not I don't know. They probably try harder to keep the job they have.

14. How does work place participation operate in your department, i.e. your place of work?

Previous answer.

15. Do you have considerable freedom to adopt your own approach to the job?

Personally I've got a certain amount of freedom.

16. Do you work with people who cooperate well with one another?

Yes in general. They're all quite friendly. Obviously we have our ups and down from time to time but they're a good team really.

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

I think there should be more. The lads quite often have a lot to say to me but really it should be directed to somebody higher than me and the team brief would be the answer. They do come up with some good ideas.

LH Can you give me an example?

At the moment we've got a site at Kirsley which we've moved from originally to come to Salford with the idea that we'll all be housed in one unit and it's not big enough to take it all and it was pointed out by the people on the floor before the move took place that you can't do this, it won't fit. And sure enough the moves taken place and Kirsley's still open with the residue of our work up there which we were unable to slot in. And we're in a similar situation now. They try to lease out half of the building and what we've been saying for some time is we want to put some tacking back to store our work on and nothings happened. So we're now in a situation where somebody's been up this morning to look at this and seem quite keen and want to move in in two or three weeks and we're gonna have to really move now with overtime and all the rest of it to rack out the half that we're gonna have to fit. All this was mentioned a long long time ago. So if people had listened to what was coming off the floor we'd have been in a good position now instead it's going to be a bit of a shambles.

19/20 Have you worked in another country/organisation? If 'yes' how does the Co-operative bank compare in terms of participation?

It's better I must admit. It's better than when I worked for the Manchester Ship Canal. We didn't have nothing at all there. You did what you were told or shut up. There was no team briefings, TQM or anything like that.

LH Is that the only job you've had before?

No, I worked at road haulage firm and there I suppose was free to come and go as long as I did the job. But we didn't have meetings.

ADDITIONAL QUESTIONS

LH Then and us?

Yes there is.

LH Has it improved over the years?

Yes, but team briefings are the way forward and it tends to cut that "them and us" out of it if you feel you can have a say in it. Even if they don't implement a suggestion that you make at least you've said your view. It's better than it used to be.

LH Enough training for EI?

Everybody went on TQM training but that's about the only thing. No there's not enough training.

LH Trusting environment?

To a certain degree but they can see when we're not doing our job because the requests we have.

LH So it's controlled by the work process?

Yes, so they don't have to keep coming down chasing. One look down the office and if they see our in tray overflowing they know that we're not performing.

LH Do you get acknowledgement of your efforts?

Yes, we occasionally get that both from Derek and If we've been involved in a fraud case and we've retrieved several hundred items in a short space of time, they quite often send a nice memo to us.

LH And you appreciate that?

Oh definitely. It makes a difference.

LH If you're loyal to the firm do you expect your loyalty to be rewarded?

I do. But I don't think it always is. Not just this firm buy anywhere now. Employers are quite ruthless now and it's all about money.

LH Does the threat of redundancy make you more conscientious?

I don't know but it's always in the back of your mind. I suppose the answer is yes.

LH Stability and consistency, challenge and change?

We keep a log of how many failures we make on requests that come in and it was noticeable that when we were employing temporary workers that the failure rate was very high and

since we've had a settled workforce it's come right down. So it's noticeable that stability breeds consistency.

DEREK NEWMAN

PRODUCTION SERVICES MANAGER

SITE: MONTFORT HOUSE, SALFORD, MANCHESTER

CO-OP BANK

Interviewed: 26/8/93

Is the Production Services environment for the Cooperative Bank. It consists of 4 work units, basically the type of units that sit on the outside of the data processing unit that deal with paper, tapes, microfiche, magnetic media, etc.

It was put together as an idea some time ago because at the time we had a property in Skelmersdale, Adelph House, and the bank wanted to rationalise its administration into one building. So all the factory and process style units were considered to be moveable. At the time we actually printed all out output in a computer data environment but we shipped it across the building to another area to process, and basically we were moving things backward and forward all over the place which wasn't the most efficient and best way to it.

We had a look at a similar style of environment elsewhere. Where they had stationary and all their inputs coming in from one end of the building, data processing in the middle and all the outputs going out the other end of the building. That seemed a good way to go. Unfortunately we couldn't find a property that was suitable in Skelmersdale or in the locality. The Bank looked around various new towns in the North West but settled in Manchester, as it had a property, Olympic House, already and a building was for lease next door it took it over for our operation.

We have two computer centres. One in Olympic House and one in London, both of which are run from Skelmersdale, which is little bit a old!

In our operations in Montfort House we had a completely new workforce who had only had experience of mailing and mail handling. So they had to learn more technical skills. On the grounds that before we had computer operators who were highly skilled technically doing in essence what was a more manual job. So we put the two together. It's done in quite a few other banks and other institutions. We also at the time had the plastic card bureau here, which has since moved.

We have a micro graphic unit which films documents coming from customers and bank generated documents.

The rest of the building is made up of archival storage in a strictly warehouse environment. Here we store banks cheques and things like that. The majority of them are now on film - so we have film copies of them. We keep actual documentation still from business customers and local authorities for example benefits cheques which we have to retrieve from time to time. We have around 55,000 boxes full of cheques and data listings etc. These are often retrieved in cases of fraud when someone tries to change the amount on their benefits cheque.

The number of people working on this site is 63 that includes people who work in production services together with people who work in purchasing services.

There are two managers - myself and the Purchasing Services Manager.

At supervisory level we have 2 senior supervisors - system manager type status and 5 at supervisory level and the rest is what I would term shop floor workers. The idea being that here we can cross skill people and have them working in different areas. Rather than have "I am a printing person, I'm a mailing person, I'm an archive person". I want cross skill so I can use them in any area. They're all production driven. They're all volume driven. They peak and trough at different times. I want a multi-skilled workforce which you can swap around.

LH Giving greater flexibility then?

Yes. It's a little bit difficult to achieve because there tends to be the attitude "well this is my job, I want a job description that says I only do that." If you add something to it, they want another job description rather than be fairly flexibility and say "Yes we can do this, this and this." That's my ultimate aim so that we can have people we can move round.

LH So at the moment there's a fair degree of flexibility but you feel that personally you could achieve more.

There is a degree but not a fair degree at the moment because like most institutions, we are running on basic minimum staff. This doesn't allow you the luxury of being able to take someone out of one unit and train them in another very easily. We can only do it as and when time allows.

LH So training and time becomes an important factor?

It becomes a very important factor. There are peaks and troughs throughout a week, a month, a 3 month period and even a year, when things do go up and down. But we're working through it. We've not been here so long and we've not had the unit together for long. We're getting there.

LH Union pressure?

The majority of staff are union members. But I have noticed that the newer members of staff I've taken on the option to join the union has not been taken up and that worries me a little bit. I've been a union member from day one. I've sat on the institutional committee for the union I've represented managers and appointed staff and have sat on the job evaluation panels as a union representative. I see the two (Bank and unions) can work closely together I don't say they already do - I can see it from both sides and it really frustrates me. They can't sit down and talk rationally to one another. This may be down to personality traits at times or particular ways things are attached.

LH What percentage of unionisation is there here.

I would say out of the 63 staff we're well up to 95%. It's only the last few we've taken on that are less inclined to join. Maybe it's the cost, the monthly subscription. The people here tend to be lower graded bank staff and taking £5.50 a month out of wages - they feel they can spend it on something better. We try to encourage them to join the union. I think it's a good thing.

LH I'd like to pass on to you personally

Interview Questionnaire

1. What is your educational background?

I started working for the bank on 1st September 1970. I started in branch banking but prior to that I had education to 'O' level standard in a Derby grammar school. I did one year of the 6th form but as in the case with other young lads of 17 there are other things occupying your mind. I was interested in banking. I don't know why. It may be when your mother says "get yourself into a bank, you've got a job for life - a good solid job". I was doing 'A' level Economics when I left school.

I was interviewed by Nat West and didn't get a job. Then interviewed by the Coop Bank and was offered a job. I got £8 14s 2d per week. I started working at Bellvue branch as a general office junior. After 2 years I realised after looking at the office branch staff (about 50 in number) about 12 people were promoted in steps going up. I thought

the only way to get on was if somebody dripped dead and everybody moved up one. This worried me so I started looking around at job advertisements in the bank. I also has started at evening class. Institute of Bankers Part 1 & 2. I got Part 1 and then was successful in getting a job with the computer department. I moved from Derby to Manchester and started working in the computer department in 1972 as a junior computer operator. Computers at that time were the main things to get into. I became an operator, then the idea was to become a programmer, then an analyst. I worked there up to 1979 from junior operator, senior operator, shift leader (team of 6 people) then running the bank's network as a network co-ordinator. Then progressing on to the first junior level of management as an Operations Officer. At the time the bank was expanding its computer base 64K IBM machine which were not powerful.

1977 and the Bank decided to build a Customer Services Bureau it's first step in the way to centralisation. It began a project in 1977, found premises in Skelmersdale (New Town) c. 32 miles from Manchester. It was decided to put the data centre there. Told all the staff it was moving upon which 65% of the staff decided they didn't want to go to Skelmersdale and quit which caused a bit of a problem. We recruited staff from West Lancs area and based them in Manchester to learn various tasks, skills and what have you, and in October 1979 we moved from Manchester to Skelmersdale over a weekend. I also moved house to Skelmersdale.

The functions grew and grew. We moved from a two shift system to a three shift system in operations. Running 24 hours per day as opposed to 16 hours. We gradually progressed into running a 4 shift continental style system running 7 days per week I moved around the computer department but always in operational area. I never went into programming although I had the opportunity. I preferred to be on my feet and talking to people than sitting in front of a screen filling out coding sheets. We expanded and expanded and sometimes had ten people on a shift. We had different peripheral functions outside of the computer department which took over the functions that programmers and analysts used to do. We built on the technical skills we got as operators. I hen moved again and set up a section called data control with 7 or 8 people. Feeding input and taking output out. Did that for 4 years. Then was given the opportunity to become a fully fledged manager. I was given a position in charge of the Operation Acceptance Team and Operational Support which I ran happily for about three and a half years and gradually built that up. Everything was expanding outside of the Computer Department at the same time and we were pushing the peripheral units were not keeping pace, up to 1988. We started looking at which was the better way to go, considering at the time we were having printouts dealt etc. So over a period of 6-8 months we

formulated a plan to put printing and mailing together. We would have liked to put the plastic card bureau right outside the computer room, but we didn't have enough room to do it in the building. So there's a little funny story. It was July 1989, I was due to go on holiday, and at ten to five my boss called me and said "oh, by the way, when you come back you'll be working elsewhere." I said "where," he said "you'll have the mailing side, plastic cards and micro graphics." I didn't know quite what to make of it. I turned up a week later on the Monday morning after the holiday. I gradually developed the bulk mailing things on the side of the plastic card bureau. We split parts of micro graphics of and only attached the bits which were micro fiche producing boxes. We happily ran with that for about 2 years but then we outgrew the building. Other functions were wanted within there for the longer plans of the bank and we started looking around, but we couldn't find any property locally. The property in Salford was available, but that was a fairly traumatic move because we had people who weren't happy that the bank was moving their job to a location 30 miles away. The bulk of the workforce were locally recruited since 1979 from Skelmersdale area.

There was a big outcry from the staff who didn't want to move. We had some hard sessions. Some of the people have realised that things do move on. You're not guaranteed a job in one place for life, you've really got to move. Others didn't accept it. We redeployed a lot of people but there was a lot of acrimony between the bank and the staff (this was a couple of years ago - 1991). This rumbled on for some considerable time.

The building in Salford was finished in March 1991 - the card production people. We recruited locally to replace some of the Skelmersdale people who had been redeployed. Most people were redeployed into jobs which they quite liked. So their initial thoughts and fears were unfounded. Those who wanted to go back to Skelmersdale when back within 7 weeks and we recruited locally.

LH So this was like a Greenfield site?

Yes

LH A new set of staff and a new building?

I flitted between Skelmersdale and Salford for 8 months drawing up plans to bring out printing and mailing together and to move our micro graphics. At that time we were bussing people in from Skelmersdale. Gradually people were redeployed back in Skelmersdale.

We outsourced our plastic card bureau in January 1993 to FDR Southend of Sea. I personally disagreed with the move. Yes

they could process cards cheaper but they couldn't provide the level of service to our internal departments and customers that we used to do. Not at reasonable cost anyway. Everything FDR do for us they will charge us for.

It was part of a larger outsourcing. Not just the card bureau but the general visa processing. At the time, 1990, the bank didn't have the money to develop its own systems - 1991 things were getting hard. FDR were downsizing a great deal and needed contracts and they were willing to offer an outsourcing service on a 5 year contract and were quite prepared to pay up front money of £1.7 million which looked good on the banks books.

Maybe I'm being a bit parochial. Because I actually designed the from from the ground floor up. I actually had it built to my specification including the vault, all the furniture, all the machinery, the work processes, the layout, the people; everything was down to me. I was quite proud of that and so I was a bit disappointed when it went.

2. How do you view the idea of democracy?

I think it's a very good thing provided everybody plays to the rules. I like my voice to be heard. Everybody has an opinion and you might agree with some of them but everybody should have their say.

3. Do you think there is the same amount of democracy in the work place as in the world of politics?

Yes, I think people have more say politically than industrially. In the workplace - no it isn't as much.

4. If no, why not?

Even when the use of democracy through the union it was disappointing to note that over the last 2 or 3 years that on various issues where the bank and the union didn't see eye to eye and the union decided to have a vote, there wasn't a particularly large turn out. Overall in the bank, since the closed shop was abolished (and it used to be a condition of employment in the bank that you were a member of the union) I imagine we must be running with union membership up in 80% - 90% overall. It's disappointing that such democratic rights in the organisation people don't take up. But I don't really think they have the same amount of democracy in the workplace and I don't think they use it so it's watered down sort of two fold.

LH Instruments for democracy like the unions are there but people don't choose to use them?

Yes, but there are other things now - staff councils. They are not quite sure which channels they ought to use. It's a little bit confusing. They also should be able to sit down with their managers and supervisors and talk to them. Obviously I'm an individual as a manager, I have my own personality and character traits. I like to feel that people can sit down and talk to me, but I know there are individuals in the organisation that people are terrified of and would never sit down and talk about a concern.

LH Do you have team briefings or similar kind of things where staff can air their view?

The bank organises official style team briefings where we do get people together for specific certain things. We did have a schedule, which was a military style "you will brief your staff every month on this, this and this." But that fell a bit by the wayside. We now have briefings on important issues that come out centrally from the bank. Usually concerning things like pay, conditions, terms of employment; specifically over the past 2 years things like moving away from standard pay rises to performance related pay. Here on this particular site we have quite a lot of informal briefings.

LH That's generally throughout the organisation?

That's generally through the organisation. Here we have (I'll be honest) it's a very relaxed informal atmosphere. I don't sit at my desk all the time. I prefer to spend a lot of time walking about. So we sit down and talk to each other as human beings with either one, two, three or four in a group.

LH So in an informal way staff can actually get their views across to you?

Oh yes. No problem without actually having meetings. There are briefings meetings. There are get togethers in various areas. But I do make a point of actually seeing.

LH Do they occur when you think there is a need or the staff think there is a need for one?

Yes. The door's always open, although there isn't a door on the office. They can come and see me and I can go and see them. I do tend to go round and talk to them many times every day. So it's not as though they have to make an appointment to see a manager to air a view. I like to keep it informal. It makes for a better working atmosphere. It's just something I believe in.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

It depends what you mean by work conditions. If you're talking about the environmental conditions in which they work they can have a great deal of influence. I support them obviously in getting the best environmental conditions. If it's conditions with regard to the bank's business, providing services for outside customers, they would not have full control. The type of people I have here are not bank clerks, they're more process driven. They like at times somebody to tell them what to do. Although I try to encourage them to think things for themselves. They really do like somebody to say "I want you to do this, this and this" in order, rather than for me to say "just go away and work, and however you want to do it, do it your way." The unfortunate thing is that one or two of the people who came from Skelmersdale going back about 10 or 12 years, were under a management structure that did dictate everything they wanted them to do. If there was a new process or somebody required a new service the manager wrote out what was required. He wouldn't go and ask staff and say "we've been asked to do this can we do this? How could we do this? Have you got any ideas?" He would say "this is required and this is how you do it."

When I moved outside the Data Centre in 1989 and first met these people, and actually asked them something - I got a lot of blank faces. "Why is he asking me? Why is he not telling me?" It's taken a while to change that culture and I'm getting there.

LH So there is a culture change that is taking place?

Yes. It is a part of a bigger culture change within the bank to get all employees involved in thinking about what they do. There are various terms for it - or of - you're looking at process driven type things rather than your own little box with your blinkers on.

Some people adapt to it easier than others. Some people like the idea of having an input - people asking them what to do and coming up with ideas and the fact that their ideas are being listened to. Other people would rather somebody said "Right - this is what I want you to do." And it's knowing the difference between the two people.

LH So operate on a basis of how well you personally know the staff?

I've known some of them for some years and other cases a very short time. But I do like to get on with people. Maybe that's a bit of a down side in my own character trait because I like to be liked. I went on a course not so long ago where that was highlighted that I don't listen.

7. What do you think are the essential elements of democracy in the workplace?

As I said "I listen to people." The way I worked it from day one what I joined the bank, I looked at what I was asked to do. And the first thing that struck me was to ask "Is there any way I can do it better?" "Is there any way I can make it easier for myself - being a bit selfish try and make life easy. That was the philosophy I adopted and that's what I'm trying to tell them. Is there any way you can do it better and do it easier. Don't make life difficult for yourselves. You know what you do, anything that can't be done. Lets work it through. I just like them to feel involved.

I haven't told them in advance about this. It's going to be sprung on them because some individuals would start worrying. I didn't know whether that was the best way to do it or not.

My style of management seems to suit people here. My assistant manager has just legged it across the road to get a fork lift truck to actually come and off load three pallets of stationery that arrived on a lorry that hasn't got a tail lift and we don't have one operating here and that would have meant us handling the stuff of the back and that's quite strenuous work.

8. Do you think employees should be consulted in the formulation of workplace decisions?

Definitely.

10. Do you think employees should have more rewards for having more responsibilities?

Yes. I don't necessarily see eye to eye with Sheila over this (Sheila - personnel manager). When we were formulating the levels of job and the pay rewards for it here, I disagreed because what we are asking them to do - oh a lot of it is repetitive boring and more mundane tasks but having said that they are still vital elements for the bank. I think as we add more bits to it we've got to be in a position to reward them - fairly quickly. Not go through the protracted process of rewriting a job description. Have it re-evaluated, etc. We're not flexible enough. There are all these things you have to follow, but it doesn't work the other way round. When I as a manager or the bank says "I want you now to do this new function"... a thing that's happened recently. I've taken over the responsibility for our open reel tape management as opposed to tape cartridges and we've moved it out of the building into this one. Set up the room, put some people in there, a whole new set of processes - and we're expecting people to cross skill now. They're expecting us to do that and we will do that but we expect more reward. In order to get that reward we have the job re-evaluated. All of which takes time. Yet they expect us to do it from day one. We ought to have a system where we can do something fairly quickly. I don't think we are flexible and fast on these sort of things as we ought to be. If I was running it as my own business you'd sort it out through the petty case account. If it's monetary rewards or a different type of reward in terms of flexible hours fine.

We do actually operate a fairly flexible hours policy here which is not common to the bank. In an an@ section we had a chat one day and somebody said "well it would be better if we actually covered more hours", I said "ine, no problem. Can we do that?" One chap said "I prefer to come in early and start at 7:30," and another said "I prefer to come in later." I said "fine lets note down what we're trying to do and what we are trying to achieve and eventually we came up with a flexible pattern that suits everybody. Suits all the individuals. It's actually paying benefits to them and paying benefits to the bank. In the printing and mailing area they're working shifts at the moment. There are various shift patterns. I have three shifts of four people doing 6-2, 2 til 10 and 10 and 6. Starting 6 am Monday and finishing 6am Saturday. They had a get together Monday because it's sometimes difficult getting up at 4:30 am to et in at 6am - "can we change the hours?" I said "fine but lookk, you can't change it likek that, you've got to work it through. We've got to cover certain elements to work everybody's got to be in favour of it. Also is it more expensive to operate then the one we've currently got, then we might have problems on the financial side. If the answer is "no" and we've got a three way match then everybody's happy.

11. Do you think employees should have more rewards for being more participative?

The depth to which people participate - a lot of it is in their own character. You cannot make people participate. Some people do not want to participate and probably the same people do not want to participate in leisure activities. You will not find them joining clubs and societies. They're not loners but they don't like that sort of thing.

LH Why do you think people don't want to participate

They have to come here to earn some money and work is just a means to other ends. I am a bit of a live to work person and I would be bored at home. Both my wife and I work for the bank for a long time and we don't have children - so really it's something for us to do. It's almost a joint interest. So I may be participating in the organisation a lot more and sometimes I expect people to show the same level - I don't realise they come in and do 8 til 4, go home and have got two children. They have other things outside. Sometimes I'm a little bit blinkered and think "if I need to finish a job and need to sit here for another 2 or 3 hours to do it - i'll do it!" Then step back and say they've got other commitments. The participation level really depends on the whole nature of their outside life. Some do, some don't. Some are regular clock wathers and do only the minimu.

13. Do you think participation and involvement of employees changes with economic conditions?

Yes I do and I think a lot of it's tied to financial rewards and salaries. When the bank is doing well there is money there, everybody is feeling happier. Everyone wants to do a bit more. When it becomes a bit austere there are no pay rises but you've got to put that exta bit of effort in, it can have a bit of a back lash as people say "I'm just going to do my job." The participation level drops a bit.

14. How does work place participation operate in your department, i.e. your place of work?

& 15. Do you have considerable freedom to adopt your own approach to the job?

Yes, personally. My General Manager is 30 miles away. I really have quite a lot of freedom to do what I want to do. I do have to conform to certain rules and regulations obviously - but I've known the guy 21 years (Tape ended, side one).

LH Do you think employees feel the same?

Yes, I think so - they like a bit of freedom so long as we get the job done without too many mistakes and we provide the service. I'll leave it up to the supervisors and the individuals as to how they achieve that. I will make comments if I think they're not doing it right or ways they can do it better, but I still try and leave the decision down to them.

There was one case happened last night. I have people working in the evening and I have an evening supervisor. The individual had only just started working here. He said "I work from 4 til midnight but because there's nothing else for me to do in my lunch break, can I work 7½ hours. I have no real problem with that so I say down with the supervisor and said he wants to do this. She said "we can't fit him in because we haven't got the work for him to do." Sit down and work it out. If you can work it fine, if you can't no problem. You know the job better than I do, I'm not here at midnight.

16. Do you work with people who co-operate well with one another?

In general people cooperate well here and in most cases throughout the bank. There are times when its frustrating when people don't cooperate. "It's not my job" school of thought or "well, it's not really my job, but I'll try and help you out."

LH Is that more common than the first?

It's getting that way now. It didn't used to be. We all used to be compartmentalised and if you could pass a problem on you would do. We went through out initial TQM training, we went through our own official home grown. I was a TQM facilitator. I took the TQM courses. I thought it was brilliant. I really enjoyed it and I got volunteered to do training courses in Skelmersdale and Stamford Hall with people from other areas of the bank. I think it's great. You can all participate and all do something. If you see a problem don't pass that problem on. We're told about the Japanese production lines where one member can stop the production line at Toyota if he sees a quality problem. I've tried to do that here but it doesn't work. If I see a problem and I tried to stop it I got steam rolled. It does seem to work in some cases.

LH So you think that's a problem with middle management or senior management?

That depends how far this tape is going (laughter). There are certain individuals at all levels who buy into that culture change more readily than others. It depends on what you're working on and the challenge opportunity at the time.

My own particular management team, general manager and director, are very enthusiastic and want things to work through. There are one or two others who are more dictatorial. But things are definitely changing and we're beginning to listen to voices of common sense and reason, and not just do things for financial reasons. This is a nicer and better approach. I think customers appreciate that.

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

I think we're definitely moving there, people are beginning to participate more. Maybe not quite at the rate I would personally like. I'm happy. Everybody's got a part to play no matter who they are. You don't have to be a manager to have influence on what goes on.

18. How do you think such measures could be improved?

You can't force people to be participative. You can encourage them to be and facilitate by the work they are doing, the surroundings they are in, or the people they are with and even just as a role model. If they see you do it. I do get comments from some of my staff "slow down, you'll have a heart attack, why do you try to do everything?" It will lead to an improvement. Sat behind my desk issuing memos and calling people up when there's a problem is not the way to go.

19. Have you worked in another country? If 'yes' how does the co-operative bank compare in terms of participation?

No.

20. Have you worked in another organisation? If 'yes' how does the Co-operative Bank compare in terms of participation.

No

ADDITIONAL QUESTIONS

LH "Them and us" attitude?

There's still a bit of that and I don't think you'll ever get away from it. But there still is a little bit them and us. I must admit I pull people up when they say "they told us to do that." I say who are the "they," they've got faces, let's find out who they are. Then you get this wonderful phrase "The Bank." The Bank's a building. There are people in that so there must be people behind it. You can't just say "The Bank" we're all part of it. Sometimes I talk to other managers and even some senior people who say "The Bank says we do this." Who's "the Bank" it's us. It's like the union, the union members say "the union has told us to do this or the union has told us to do that." I say the union is you, so you're saying "I'm saying this." I don't think they realise that they are actually part of it. But there is still a bit of "them and us." But it's definitely changed.

LH In employee involvement, has there been much training given to managers and staff in that area, including TQM?

TQM came in with quite a flourish. It has rolled on and has grown up with the organisation. There's not necessarily been the same level of commitment with new people coming into the organisation. Which is probably how it develops anyway because now we moved on a bit of a stage from where we were anyway. So whilst we might not come and say "right we're now going to train you in the techniques of TQM." The fact that we talk to each other and feed off each other is just a different style. So they're coming into that. As far as Benchmark Training is concerned, no there's not a lot done. I think that's maybe probably down to financial constraints over the past 2 or 3 years. Because a lot of that is taking somebody out of a workplace and actually paying for them to be trained or be counselled or even just sit and talk in work groups or quality circles. There's a cost to the organisation in doing that because they're not producing at any of that time. And of course training budgets they're the first things to go in times of financial austerity.

LH Right across the board?

Yes. It says in our mission statement about training. In practice if we have to cut back, that would be the first thing to go. Training is not just sitting in a room and going on a course. Training is everything you learn day to day, not a day goes by when you don't learn something. It's something that gets filed away there (points to head) and you never forget anything. It's just that you can't remember anything. It goes in but you need the hooks to bring that out again, and if you haven't got those hooks which some people have more hooks than others, then, you know, it gets filed away.

LH Do you have core and periphery workers?

Yes, we do here. At the moment we have got more core than periphery, I'm glad to say. There was a stage, not so long ago, where I was running at something like 50:50. But I didn't personally think that was the best way to go. I think you do need a core. I think you also need, the way things have gone, certain numbers of people where you can just sort of call on them or bring them in for short periods of time or short term contracts. We call them "relief staff, auxiliary staff." Over here I've got quite a mixture. I've got people on temporary contracts, permanent contracts. I have long term agency staff and short term agency staff. I also call people in on an "as and when" basis. We have a lad downstairs. We had three people off sick on Tuesday morning. I needed a pair of hands just to move boxes around really. So we used an agency staff member.

I think it works quite well. But you've got to be careful. You don't build up your periphery staff. You've got to train them. You can't expect them to come in and be fully proficient. There might not be the same loyalty to the company. They may say "I've got an offer of permanent employment elsewhere, I'm going." They just walk out. That's happened on a few occasions. It's been a little bit sad for me because I would like to see a larger core and less periphery staff. I think that builds for a bit of loyalty and a bit of commitment. A bit of getting together and working in a team. I'm at about 70% core, 30% periphery staff at the moment. As I say, we do mix and match. Even with my agency staff we try and cross skill them in different areas so that we can use them in different areas. The majority of the staff I've got in here come in via that route.

LH Trusting Environment do you allow people trust and give them a lot of leeway to take on responsibilities?

It depends on what sort of scale you mean it. I think I do. I give them an opportunity to do it but I may also then go and check them to see if they're doing it right. They may be again more of a personality trait. Yes I think I do. Trust them at times when they make a mistake I encourage them to take on more responsibility. I've always said that if you worked out all the factors and you made a decision to do something, even if that's the wrong decision, provided you've got the rationale as to why you made it, then there's no real problem. It might be the wrong decision. I make wrong decisions myself. If it's the wrong decision you learn from that particular process.

LH Do you acknowledge efforts with strokes, with praising people? Promotions?

Buying them cream cakes and chocolates and things like that? Taking them all out to the pub. Promotions are a bit difficult because they're tied into the whole remuneration structure. It would be nice if we could do something ourselves. If we've done particularly well in processing and we've done all our work and we're out in X number of hours - we've had a particular task to do and we've done it exceptionally well - yes, I whiz down to the local Sainsburys and buy jars of sweets and cream cakes and bottles of fizzy wine and things like that. If I was running my own company this is what I would do - the bank doesn't facilitate that very easily. It is changing. They're adopting a different methodology on projects now - SPM methodology. It's all geared around milestones and achievements and what have you and one says at the end "successful project?" "Have a party." We do do it. We do have social get togethers. There's not an easy way of doing that. Basically it's a case of me going in my back pocket and doing it because I want to do it.

LH Fair enough. Do people expect a reward for being loyal?

I don't know. I sometimes feel yes, and sometimes say no. If I don't feel particularly loyal I can always up and elsewhere. I wouldn't necessarily get the same amount of money or type of job, but I still have that choice. Nobody's holding me here against my will. I'm here because I like working here. But the door is always there. If something happens in the organisation I'm extremely unhappy about I can work out of the door, but you weigh it all up.

But as regards to expecting a reward for actually being loyal, I don't know. I know after 25 years you get a nice little clock. I've got a clock which I don't use (*laughter*).

LH Does the threat of redundancy make you more conscientious in your work?

I don't know. I can be made redundant just like anybody else. The bank has just recently made some managers redundant. Luckily I'm not on the list of people whose job has now changed sufficiently that their skills are no longer required. I'm aware that if anything happens - I'm aware that a lot of the areas of work here can be outsourced to other companies - it is worrying. Printing and mailing could be done by another organisation - particularly the mailing side of things. There are many mailing houses round the UK who can do that quite easily and probably considerably cheaper than we can do it here. But it's the hidden services that we can provide - they're not written down anywhere - they're just done by people as part of their daily routine. But when you take it to a bureau they have a set number of tasks down in the contract and anything else they will

charge you for. That's what worries me. I will cease to have a valid role if things like that happened.

LH Did the redundancies of the managers recently have an impact on people's conscientiousness in the organisation?

We that's why that union meeting is taking place this lunch time. It pricked a few consciences. A lot of people were up in arms and said how can you call yourselves an ethical bank if you're actually making managers redundant. But of course people always see what they want to see. They didn't actually see the other side of the coin. In the end there were only three (made redundant). They'd been counselled and had other positions offered to them and they had worked in other positions - in one case for a period of up to two years - one of the guys made redundant I know personally. I had him come to me for an interview for a position here and in all honesty his attitude was totally wrong. It was as though the company owed him a favour for keeping him employed. And I know that they tried to put him into various positions because he was fairly highly graded - attracting a salary of probably upper twenties, maybe early thirties (thousand a year) but he seemed to think that we were a charity. Instead of actually doing anything himself he got completely the wrong attitude. I mean even when I tried to get him in here. I said I can do a short term position for you. He said "how am I going to get there, I work in Manchester?" I said "you've got legs haven't you, well for gods sake get a bus or a taxi if you can't drive or you haven't got a car." He said "who's going to pay my taxi fare?" I thought "oh god." He turned me off straight away. In the end he didn't come to work here. But it was that sort of attitude.

It did have an affect. I wouldn't say it makes me personally more conscientious with my work. I'm fairly conscientious anyway. But I think it does have an affect on staff. People are a little bit worried. I wouldn't say it makes them work any better or harder but when it happens it comes as a shock.

LH How important is stability and consistency in your work?

I would like a mixture of stability with controlled change. But we'll never ever get that. I've seen enough of the way the bank's gone over 23 years to know that we ... er the reason why we are successful over our competitors is that we can move a lot quicker. The down side of that is we tend to try and do too much all at one go and we have a few problems. So we never quite get the full benefit out of some of the changes we're making.

Yes, I would like a bit of stability but there again I get bored. While everything is changing I get a buzz and if I come in and have to do the same thing day after day and nothing ever changes and everything worked perfectly and there were never any challenges or problems, I would get bored.

Having said that, sometimes I'm tearing my hair and saying "I wish we'd quieten down a little bit." It's a little bit of a mixture of both. As I say we go through little peaks and troughs on these types of thing. Unfortunately sometimes we're trying to do everything and you end up with a period of not stability which in itself generates problems, which in itself generates other changes. And you have a snowball effect, until someone comes along and says "Put the brake on" "Stop for a minute." We've done that in the Data Centre and we've done that in our technology services. We've had to suddenly take people and say "stop" we're gonna try and control this a little bit better because things were beginning to run riot.

BARBARA O'ROURKE

COOPERATIVE BANK

Supervisor - 14½ years service.

Interviewed: 26/8/93

1. What is your educational background?

Left school 1968 and started to do nursery nurse training for 2 years. Didn't like it and have it up and started work in offices.

2. How do you view the idea of democracy?

I'm not politically minded but there's not enough democracy in this country.

3. Do you think there is the same amount of democracy in the work place as in the world of politics?

No enough democracy in the workplace.

4. If no, why not?

The Conservative Government.

LH Why?

There's still not a working class government and they're not in favour of what ordinary people think in the work situation. Like the unions over the years - even the union with the bank.

LH So they put a lot of legislation on unions to restrict their working?

Yes, they just didn't like unions.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

I don't think we can have Total (*emphasised*) control. There's got to be give and take on both sides with management and workers but at the moment there's too much managerial control.

6. Do you think this ideal is desirable?

Oh no. I don't think they should have total control.

LH Why?

But I think they should have a lot more say in what does go on.

LH You don't think they have enough at the moment?

No.

7. What do you think are the essential elements of democracy in the workplace?

I don't know really.

LH (Explains question another way)

There again not total control but in a lot of firms people are prepared to listen and if they are prepared to listen to people's ideas, that is one of the elements (of democracy in the workplace).

LH In other words management don't do enough listening?

No

8. Do you think employees should be consulted in the formulation of workplace decisions?

Yes definitely.

LH Do you get consulted enough?

No. I can't say we don't get consulted at all, but definitely not enough.

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

It obviously depends on the job you do. As far as I'm concerned looking in my area, if we've been appointed supervisors or shift leaders it should be joint control. As long as you're capable of doing it. Instead of like um - it can be very annoying when people come from another building and say "why don't you get them to do this" when they don't really know what's going on. So we should have control in our particular area.

10. Do you think employees should have more rewards for having more responsibilities?

What type of rewards are we looking at? Grading? Well yes definitely.

LH So if you take on more responsibility you think you should be paid for doing this?

I think so yes. We've got a similar situation going on at the minute in the printing and mailing area downstairs we've got quite a few jobs that come under this roof, from different parts of the bank. We've more staff and yet the grading's not really changed.

11. Do you think employees should have more rewards for being more participative?

You're paid to do a job and you can't expect to have rewards for everything you do obviously - yes and no to that question. It depends on the situation and the person.

12. Do you equate participation with having more responsibilities?

Yes. Anything you're asked to do that's not coming under what you're doing now is more responsibilities.

13. Do you think participation and involvement of employees changes with economic conditions?

Just speaking from here really - yes. They haven't demanded but it's been put over in a nice way, sort of thing, where they would expect you to. I mean there's a right way of going about that. Yes I will do more. I won't get a pay rise but my job will still be there.

At one time we had a pretty good union but like the union really fell down now. Redundancies keep cropping up. There's only a few people I know that have actually been made redundant as such. They keep asking for volunteers. The way we're working now it's totally different to how we worked about 8 years ago. I think it's because the union has no strength.

LH BIFU is not as strong as it was?

That's right. Our representatives are definitely not as strong as they used to be. But then again a lot of it's down to the Government.

LH They've deliberately weakened the union.

That's my opinion. That's what they wanted to do and I think it worked.

14. How does work place participation operate in your department, i.e. your place of work?

We have team briefings but it's a bit awkward in our department. We work shifts, 24 hour shifts going. We try to keep everyone informed in passing from one shift to another. Once a month we try and get together. Monday just gone we'd bring .. er we'd change some of the hours of the shift leaders and bring them in so we're all go round the table and discuss what's going on. We really do try.

LH How many people have you got working for you?

Let me see. We've got 3 shifts with 18 people with the 2 supervisors as well. I'm one of the supervisors and we do different shifts. This week I'll do 8 until 4 and she'll do 3 to 11. Next week we'll swap about.

LH Which one do you prefer?

8 until 4.

LH So shifts make it difficult to meet?

It does but we really do try to make sure messages get passed on, any news, any changes. And we try to get round the table once a month with a person from each shift.

LH Does the management encourage you to do that?

Yes they do.

LH And you carry it out pretty well?

Like this week, we had management sitting in with us and we asked on to come in.

LH Do you think it works okay when you do that?

I think it's good because the shifts are going on and if they're not happy with their work they'll get it off their chests at this meeting so then we can sort it out.

LH Do you think women are much better at communication and listening than guys are?

No I don't think so. I think men can be as good.

15. Do you have considerable freedom to adopt your own approach to the job?

No.

LH Why is that, because of the nature of the work or management control?

Managerial control. To a certain degree we do (*have control*) but a lot of times we've found we've decided that we will go about doing a job such a way and then found a higher up has stepped in said I think you're better doing it this way. And we're not allowed to do it and there's not a lot we can do about that.

LH How about yourself, do you allow people a lot of freedom?

Oh yes. If someone come up with an idea, I sit and listen and say show me how you think you can do it.

16. Do you work with people who cooperate well with one another?

It's starting to. We did find we were having problems because this has only been up and running, the shifts, for just over 12 months. There was teething problems in getting people to cooperate with one another just before a shift or just after but it's getting together now.

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

Oh yes, I think there's enormous room for improvement.

LH But are you happy about working generally?

I think that question we had before the freedom to adopt an approach to the job - I think if we were given a bit more freedom we'd be happier.

18. How do you think such measures could be improved?

Like I've just said, if we were given more freedom.

LH Do you think there should be another mechanism or channel by which people can participate?

I think what we're doing at the moment is as much as we can afford to do because of the shifts. I mean when we were at Skelmersdale everyone was doing more or less a straight 9 to 5 so you could get together like once a week but because of the shifts now we can only get together about once a month. There's deadlines to be met with the boxes.

LH If time allowed for you to participate say in the morning about half hour, would you appreciate that once a week or once every day?

Of yes. I'd love that. That would be great. But our office again are kept to deadlines as you know it's a dispatch area so there's deadlines for one thing and another, which is why at the once a month meeting everything goes by the board and we do get together for it. It would be so easy to let that go. Yes I would like once a week.

LH It is possible to do but it's a matter of policy

Yes

19/20 Have you worked in another country/organisation?
If 'yes' how does the co-operative bank compare in terms of participation?

I've been with the bank so long I can't remember.

ADDITIONAL QUESTIONS

LH 'Them and us'.

Yes.

LH In 14½ years that you've worked with the bank has it weakened?

No, I still think it's just the same.

LH Training and E.I.

I'm all for more training on anything that we get.

LH Trusting environment - trusted to do things and trust people to do things.

You have to.

LH Strokes and/or acknowledge efforts.

Oh yes. We tend to get more feedback if something's gone wrong but now and then something'll come up where it's been

noticed by someone and it's good and it build up moral. We do get feedback especially if things go wrong.

LH Do you get positive strokes?

Yes we do, but not that often.

LH Do you think it could be more?

Yes, I think it could be more. But it's expected of you anyway. You're doing a job you're paid for and you're expected to do that job well. But there are times when we really have excelled ourselves in dispatching service statements and if nothing's said someone will phone up and say they've had someone else's statement by mistake then it becomes our ... I know for a fact that if we've had praise for something and I've got them all together and told them, it does help in raising morale. So yeah, I'm for more of that.

LH Do you do that with your own people you supervise.

Definitely, yes. If someone's done well we'll let them know.

LH Loyalty to the firm and expect reward for being loyal?

I can't say that I'd be loyal to something I disagreed with.

LH How important is stability and consistency in your work? Do you like challenge and change?

Oh yes. Obviously I like the stability side of it but things can become a bit monotonous. Since we moved from Skelmersdale it was all dispatch of statements, now we've got the printing side of it and it was like a challenge getting something else. We all needed that challenge. We were all getting a bit stale, and now there's more work coming which is a bit of challenge like tapes and things. New work can be welcome, it does break up the monotony.

JEREMY WILLOUGHBY

COOPERATIVE BANK

Manager in Group Collections - Balloon Street
11 years in the bank, 15 years in the group.

Interviewed 2nd October 1993

Group Collections deals with the personal accounts when they go overdrawn. I look after the Southern region which is about 40 odd branches and trying to control their delinquent situations and trying to prevent them going into a bad debt situation.

1. What is your educational background?

'O' levels and 1 'A' level. I joined banking at Lloyds bank straight from school (18) and did 6 years with them and then I went to work for a finance house later taken over by the Cooperative bank. It wasn't really my cup of tea. I wasn't really a salesman and so I transferred back into the banking side of the Cooperative Bank which is where I've been ever since. Some 10 to 12 years. I haven't got any banking exams - I started at Lloyds but stopped on going into the finance house. Whether it will prove a problem, I don't know. It hasn't so far.

LH Have you had any training in management?

Some, not a lot. In the department we've had a programme running for the last year or so for supervisors and managers where certain management skills have been taught. I've been on one or two courses at Salford Hall but apart from that it's by try and see approach.

LH How long have you been at Balloon Street?

About 2½ years in Balloon street. Since 1982 in the bank and 1978 in the group.

2. How do you view the idea of democracy?

(Not an interesting answer)

3. Do you think there is the same amount of democracy in the work place as in the world of politics?

No. I don't think there is. Yes I think you've got the right to voice your views without it being against you. I've been doing a structured interview recently and one of the questions was "are there any policies you have not been able to agree with and how do you react?" I would like to think that I can voice my views, wither they can do anything with those views and change something is a different kettle of fish. I think here in a department you have got more chance of doing something and having your views taken on board rather than an individual branch situation where you are a little person in a large unit. But here we are quite a significant department and have quite an influence in the bank.

5. Do you think it is possible for employees to have total control over work conditions, or is this only an ideal?

No. I don't think it is possible. There are certain givens in the working environment. In a bank you have to have certain levels of security and can't be necessary in line with comfort or air conditioning - so you can't have total control.

6. Do you think this ideal is desirable?

Yes, it is desirable, but not practical.

7. What do you think are the essential elements of democracy in the workplace?

The right of everybody to have their say in the work they're involved in, whilst they may have some views and they can be taken on board, but it doesn't mean they can be actioned upon, but I'm not sure.

8. Do you think employees should be consulted in the formulation of workplace decisions?

I would encourage it. I personally do. People have got the opportunity to make suggestions and voice their views. It ought to be taken on board and listened to but sometimes you can take it on board but at other times you've got to say sorry, that's the way we're going.

9. Do you think employees should have control over their work? If your answer is 'yes', how much control?

I don't know about 'control'. I think that's too strong. I think they can have input but not control.

LH How much input would you say?

If objectives are set which are unreasonably tough and you can't hope to achieve them - you need to be able to say "I'm never going to be able to perform properly." If you're going down the route of profit related pay and performance pay and all those things you've got to have input from both sides.

LH If an employee feels a task to be unworkable, then it's desirable for them to convey that information?

Yes, if it's possible then I think management have got to listen.

LH You advocate that managers be strong listeners?

Listeners, learners and trying to be understanding and find out how it can be achievable. Not just by adjusting the target but perhaps developing systems whereby they can achieve it.

10. Do you think employees should have more rewards for having more responsibilities?

You I think it does justify the rewards.

11. Do you think employees should have more rewards for being more participative?

If the team is being measured and the team is doing well then it should be rewarded. If they are being measured on five factors and two are part of the team effort, two of them individual and one is departmental issue. Yes perhaps only 4 things should influence the reward they get.

12. Do you equate participation with having more responsibilities?

No, not particularly.

13. Do you think participation and involvement of employees changes with economic conditions?

If I'm understanding the question correctly, we are expecting more from our staff when times are difficult than when times are easier. We don't have many times when it's easy (laughter) in our department. We are fighting against a recession and the effects of a recession and we are expected to achieve a result of say 5 years ago with probably less resources and still expected to get results, I doesn't seem to matter that the going gets tougher.

14. How does work place participation operate in your department, i.e. your place of work?

LH Do you have regular team meetings, team briefings, quality circles - that kind of thing?

We aren't at the moment. We have done in the past. We're up against a brick wall with a lot of trading underway at the moment so when the meetings do take place then encouragement of ideas and two way discussions take place to generate ideas and different ways of approaching tasks. But we haven't got an office ... I mean it's an open plan office and we have an 'open door' policy so everything is welcomed. It's encouraged in the way of ideas and so on.

LH When you say open door policy what do you mean?

I haven't got a desk. I haven't even got an enclosure. My boss has got a semi-enclosed area. Anybody can go and talk to her and feel fairly conformable doing that.

LH Why are these meeting less.

Training and pressure. We've recruited a lot of staff and to keep the work flowing because customers are all important and things have had to give somewhere along the line. While we accept it's not the right approach something has to give and what has given in, in this instance, is meetings which are trying to cut back to minimum level. Okay we have management meetings and meetings with supervisors who actually then take it down to the staff - it's not so practical. What we are trying to do now is give a weekly brief to them to say what is happening to them in terms of recruitment, new approaches we are going to try and that sort of thing. So communication's that way and it says we welcome ideas.

15. Do you have considerable freedom to adopt your own approach to the job?

Yes. I think so under my present boss I do. I didn't under one of the earlier ones I had fairly rigid constraints, whether it was because of lack of experience - myself and the other manager or ... I feel I can do my job better now because there are more opportunities to try things out now.

16. Do you work with people who cooperate well with one another?

Yes

17. Do you feel content (i.e. happy) with the participative measures in your work place? Give reasons for your answer.

Not entirely because I think at the moment because of the things I've just mentioned (see above) about recruitment across departments it's very difficult to have group meetings, group discussions. I would welcome a lot more. And if you get a lot more you generate enthusiasm. You generate motivation by having two way discussions, and there isn't the time for it at the moment. I don't think anywhere in our department let alone in my area.

- LH How do you think you could make more time?

I resources was no problem and wasn't an issue then we'd do it and handle it quite easily maybe on a bi-weekly basis at the very least. Weekly have a meeting which might only last 15 minutes per week. It's just that there are limitations at the moment.

- LH Why are there limitations?

Partly the market situation and partly the fact that over the last 6 months we've had quite a lot of staff move onwards, upwards and outwards and we've had to bring in staff and recruit and train them and that is a slow process. It means the amount of work we are getting through per head of our team is less on average than it ought to be.

18. How do you think such measures could be improved?

(Already answered)

19. Have you worked in another country? If 'yes' how does the co-operative bank compare in terms of participation?

No.

20. Have you worked in another organisation? If 'yes' how does the Co-operative Bank compare in terms of participation.

I can't remember clearly. But I would say that Lloyds Bank was very much structured from top to bottom rather than sideways. We are a bit more sideways and horizontally structured than Lloyds Bank were. The hierarchy was very distinct there. I would say it's a lot less distinct and more informal here.

ADDITIONAL QUESTIONS

Other Areas

LH How would you describe a 'Them and us' attitude?

Just taking up my own working area we have distinct areas for what we call 'Excess' and 'Collections'. I was only saying to my boss yesterday that we've actually got a them and us situation between the two areas. The cross over isn't sufficient. It used to be non-existent the business but it's grown up between all areas in the department.

LH Its management/employee

No it's not management/employee. It's different areas of work should flow smoothly from one to another but there is a there.

Trusting environment.

There has been a doubt on that because the way things have been working of late there have been so many decisions made by senior management, not necessarily within the department, which have possibly reversed earlier decisions. Sometimes there must be a doubt, does everybody know what they're doing. It's difficult to manage when you have a redirection policy statement come out once a month or every two months, and you're doing a reversal of what you have been doing up until then. I think it's very difficult.

LH And that's without a consultation from people who've changed the policy

Sometimes, I would say so yes, for very good reasons. You can't dispute those reasons, but it doesn't make life easy if you go back to staff with egg on your face sometimes.

LH It puts you in a difficult position?

It can do, yes.

LH Strokes and/or acknowledge efforts.

Try to - buy cream cakes occasionally - balance it.

LH Loyalty to the firm and expect reward for being loyal?

Depends if you are effective or not (etc 345)

LH Does threat of redundancy make you more conscientious with your work?

No, most of people in our department it doesn't have an effect. In certain parts of the bank that must be a very worrying thing. We can't do much about it no matter how hard you work or how you work will make no difference at all.

If carte blanche they're going to chop out an area and it's going to be handled somewhere else, whatever you've done up to then doesn't matter. There are quite a lot of colleagues in branches who have suffered because of such changes and can be knocked back two or three steps in terms of their grading. That must be demoralising.

LH How important is stability and consistency in your work? Do you like challenge and change?

In terms of change our department has had so much change over the last 2 years. It definitely needs stability, but that isn't to say that people aren't prepared to change if there is a reason for doing it. Most people have accepted that things won't be the same for ever and a day and they are prepared to change. Having said that we've had a lot of change in the last 2 years, the last 9 months have been pretty stable. Which is quite useful in the light of the fact that we've had such a large movement of staff.

LH That's been restructuring?

Over the last 2 years there has been a lot of restructuring and people are not happy at what has been achieved but that has stabilised a bit, but there is a project which has been going on for 6 months or so which has been looking at the whole structure. In a few weeks time we could be going through the same repeat performance. I hope that it's been thought through properly.

Channels of Communication - Do staff rely on trade unions or managers given high union membership.

There are certain parts of the bank more union oriented than others. I'm not in a union oriented area. It's been quite a struggle to find representation for the union on our floor, and I think when the BIFU notices come out about various topics and when there's a briefing about it there's a lot of cynicism shown about the union.

LH So in other words the union influence has declined a lot?

The belief in the union and its ability to do anything has certainly gone down among staff. I've seen some involvement of the union in assisting in disciplinary interviews and I thought their knowledge and expertise of the person under review was not all that clever.

**THE PRICE WATERHOUSE CRANFIELD PROJECT
ON INTERNATIONAL STRATEGIC HRM**

QUESTIONNAIRE 1990/91

SECTION IV: EMPLOYEE RELATIONS

1. Approximately what proportion of staff in this organisation are members of a trade union?

- | | | | |
|----|------------|--------------------------|---|
| A. | 0% | <input type="checkbox"/> | 1 |
| B. | 1-25% | <input type="checkbox"/> | 2 |
| C. | 26-50% | <input type="checkbox"/> | 3 |
| D. | 51-75% | <input type="checkbox"/> | 4 |
| E. | 76-100% | <input type="checkbox"/> | 5 |
| F. | Don't know | <input type="checkbox"/> | 6 |

2. Do you recognise trade unions for the purpose of collective bargaining?

- | | | | |
|--|----------------------------|----------------------------|----------------------------|
| | Yes | No | Don't Know |
| | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 |

3. If you recognise any trade unions, has their influence on this organisation changed over the last three years.

- | | | | |
|--|----------------------------|----------------------------|----------------------------|
| | Yes,
increased | Yes,
decreased | No
the same |
| | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 |

4. Has there been a change in how you communicate major issues to your employees?

- | | | | |
|---|----------------------------|----------------------------|----------------------------|
| | Yes,
increased | Yes,
decreased | Same |
| A. Through representative staff bodies
(eg trade unions) | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 |
| B. Verbally, direct to employees | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 |
| C. Written, direct to employees | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 |
| D. Other, Please specify | | | |

5. Which employee categories are formally briefed about the strategy and financial performance of your organisation?

	Strategy	Financial performance
A. Management	<input type="checkbox"/> 1	<input type="checkbox"/> 2
B. Professional/Technical	<input type="checkbox"/> 1	<input type="checkbox"/> 2
C. Clerical	<input type="checkbox"/> 1	<input type="checkbox"/> 2
D. Manual	<input type="checkbox"/> 1	<input type="checkbox"/> 2

6. By what method(s) do your employees communicate their views to management?

	Yes	No
A. Through immediate superior	<input type="checkbox"/> 1	<input type="checkbox"/> 2
B. Through trade unions or works councils	<input type="checkbox"/> 1	<input type="checkbox"/> 2
C. Through regular workkforce meetings	<input type="checkbox"/> 1	<input type="checkbox"/> 2
D. Through quality circles	<input type="checkbox"/> 1	<input type="checkbox"/> 2
E. Through suggestion box(es)	<input type="checkbox"/> 1	<input type="checkbox"/> 2
F. Through an attitude survey	<input type="checkbox"/> 1	<input type="checkbox"/> 2
G. No formal methods	<input type="checkbox"/> 1	<input type="checkbox"/> 2
H. Other, please specify		

Appendix 6

The Author's Values

In Chapter 5, I stated that the ethnic bias and value system of the researcher had to be acknowledged wherever consciously possible and following the example of Geert Hofstede (1984:287,288) I shall describe some of the influences on my life and value system.

The chief influence on my life is my background and upbringing. I was born near London, England in 1945 of working class parents who had migrated from the North East and North West of England during the 1930s depression to seek work. These experiences and that of the Second World War had turned them into Labour supporters, although this support later in their lives was more out of habit than any fierce conviction. Nevertheless, I too became a Labour party socialist although in my teenage period politics did not overly attract me.

I was brought up in a fairly comfortable council house and my father became a foreman carpenter, later a maintenance manager for a chain of bakeries, which meant a reasonably comfortable though by no means well off life style. Due to illness I failed the 11+ exam but later at Secondary Modern School gained 8 'o' levels and 2 'A' levels, which was considered unusual for the time and I was often spoken of locally as an example for those supporting comprehensive education.

I went to teacher's training college in North London and for the first time met public school educated students and more interestingly people with unusual views. It was here that under the influence of the woman later to become my wife I began to turn to a Marxist interpretation of society.

In 1966-67 my wife and I taught in mining community schools in South Yorkshire and between 1967 and 1969 took up a post in communist Bulgaria teaching history and English language. I soon came to regard the communist regimes in Eastern Europe as oppressive and while some left wing English teachers turned to liberalism I became a Trotskyite and on returning to England joined the International Socialist a Trotskyist group which condemned the Soviet Union and its satellites as 'state capitalist.'

In the 1970s I left I.S. before it became The Socialist Workers Party due mainly to a dislike of the rigid and

narrow attitudes which I found in this group and groups like it. I then joined the Labour Party and in 1980 was elected a Town Councillor for Bedford for a three year period. This I found an invaluable experience in helping to come terms with what Rab Butler called 'the art of the possible.'

Having taught in comprehensive schools for over 20 years I yearned for a new challenge and in 1989 took up a full time research post at Cranfield School of Management under Professor Chris Brewster. It was here that many of my experiences and views began to converge as I sought a more coherent view of society. My experience abroad had made me aware of not only other people's cultures but also my own, and when Chris Brewster introduced me to the work of Hofstede, Laurent and others I began to make a rationale of my quasi-Marxian view of the world. Remaining a strong socialist I was naturally attracted to democratic forms of management in which the workforce has considerable say over their working lives and the labour process itself.

At Cranfield a second strong influence came when I began to work with Swedish academics and managers. Through them I discovered a much more humane and caring society which I believed practised the 'art of the possible' and did not have the corruption of the so called communist regimes of Eastern Europe nor the overt neo-liberalism of Thatcherite Britain. The two research projects which I carried out with Swedish and other Scandinavian partners, led me to the opinion that perhaps some of the practices we need to follow in England can be learned from Swedish experience. However, Marxian influences have never let me forget that ultimately Sweden too is at bottom a capitalist society constrained by world economic forces. The convergence of my cultural knowledge and experience and a my quasi-Marxian philosophy led me to believe that a more subtle construct could be developed in attempting to understand influences on the individual and the dynamic of society. This dynamic I have witnessed in the many contradictions apparent in the operation of management systems. Seeing this, however, is not the same as resolving it- if that is possible!

Reference:

Hofstede, G. (1984) Culture's Consequences: International Differences in Work Related Values, Newbury Park, Sage.