

Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.

**Workplace Reform and Weddels Staff:  
a Study in Retrospect of Staff  
Perspectives**

**A thesis presented in partial fulfilment of the requirements for the degree of**

**Master of Philosophy  
at  
Massey University**

**Alan Barry Foster**

**1995**

## Table of Contents

<b>List of Tables:</b>	iv
<b>List of Figures:</b>	v
<b>Acknowledgements:</b>	vi
<b>Abstract:</b>	vii
<b>Introduction:</b>	1
<b>Chapter One : Literature Review</b>	7
1.1 Introduction	7
1.2 Taylor	10
1.2.1 The labour process on Bravermans deskilling critique	11
1.2.2 Understanding the labour process from a managerial strategy	13
1.2.3 Typologies of managerial strategies	15
1.2.4 Labour process as a dual process	17
1.2.5 Managerial power to control	18
1.2.6 Taylorism undermining the sole creative factor	19
1.3 An Economic Perspective	20
1.4 Flexible Specialization	20
1.5 Ideals Types and Reality	24
1.6 Post Fordism and Fordism	25
1.6.1 Innovation	26
1.6.2 Participation	29
1.6.3 Socio-Technical systems	31
1.6.4 The quality debate	33
1.6.5 Human resource management	35
1.6.6 Training and skills development	37

1.7	Developing a Model	41
1.8	Conclusion	41
<b>Chapter Two:</b>	<b>The Meat Industry and Weddel Tomoana</b>	<b>45</b>
2.1	Difficulties the Export Meat Processing is Encountering	45
2.2	Industrial Relations in the Meat Processing Industry	53
2.2.1	Meat Workers Union	53
2.2.2	Other unions in the Meat Industry	54
2.2.3	Employers in the Meat Industry	54
2.2.4	Conflict in the Meat Processing Industry	54
2.3	Weddel and Tomoana	57
2.3.1	Weddel: a brief history	57
2.3.2	Tomoana: a brief history	59
2.4	Total Customer Service	59
2.4.1	Changing Culture	61
2.4.2	Changing Management	61
2.4.3	Changing industrial relations	61
2.4.4	Consultation and information sharing	62
2.4.5	Training and Awareness Raising	63
2.4.6	Project teams	64
2.5	In addition to Total Customer Service	64
2.5.1	International Standards Organization Certification	64
2.5.2	Safety Hazard Teams	67
2.5.3	Towards 2000	67
2.5.4	May 1993 announcement	67
<b>Chapter Three:</b>	<b>Methodology</b>	<b>70</b>
3.1	Introduction	70
3.2	Selection	71
3.3	Entry	72
3.4	Interview	72
3.5	Analysis	73
3.6	Content analysis and Matrices	73
3.7	Ethics	73
3.8	Difficulties with Entrance	74
<b>Chapter Four:</b>	<b>Management</b>	<b>76</b>
4.1:	Introduction	76
4.2:	Analysis	77
4.3:	Conclusion	91

<b>Chapter Five: Workers at Tomoana</b>	94
5.1: Introduction	94
5.2: Analysis	94
5.3: Conclusion	108
<b>Chapter Six: Unions at Tomoana</b>	112
6.1 Introduction	112
6.2: Analysis	114
6.3: Conclusion	132
<b>Chapter Seven: External Participants</b>	135
7.1 Introduction	135
7.2: Meaning of workplace reform.	137
7.3: Conclusion	145
<b>Summary and Conclusion:</b>	148
Summary	148
Conclusion	152
<b>References</b>	159
<b>Appendix</b>	168

## List of Figures

Figure 1.1 : Making distinctions between Flexible Specialisation and Mass Production	22
Figure 1.1 : Bolwijn and Kumpe's four phase model	28
Figure 2.1 : North Island Sheep and Beef Numbers 1971 to 2000	47
Figure 2.2 : Weddel NZ Market Share	58

## List of Tables

Table 2.1 : Comparison between a meat freezing company and a market oriented meat processing company	50
Table 2.2 : Comparing the elements of work structure in a freezing works and a market orientated meat processing plant	51
Table 2.3 : Chronology of workplace initiatives at Tomoana	60
Table 2.4 : The implementation of Total Customer Service at Weddel's Tomoana	66

## Acknowledgments

I wish to thank my supervisor, Glyn Jeffrey of the Human Resource Management Department Massey University, for all the assistance and used comments he gave me, especially the painful job of proof reading. I also wish to thank my assistant supervisor, Chris Eichbaum Director of Labour Studies at Massey University who provided technical advice, and Martin Tolich, of the Sociology Department at Massey University for the invaluable advice on constructing the methodology and our discussions on the state of horse racing in New Zealand.

Thanks must also go to John Wren, a friend and colleague who put up with me when things were not going the way they should be, Carol Slappendel, who in the early periods of my research gave me invaluable advice on the meat industry and her work on innovation, and Basil Poff from the History Department at Massey who was always willing to discuss my work with me.

Special thanks must go to the staff at Weddel Tomoana who gave freely of their time during a traumatic period in their lives. The invaluable information that they provided culminated how they felt about the issues involved in work changes at Tomoana. I would also like to thank the participants who filled in the gaps of workplace reform from a national perspective and to the library staff at Massey University and the Dan Long Memorial Library.

The concept and arguments of this thesis were presented to the IERA Conference at Waikato University in July 1995 and special mention must be made of Jocelyn Gibson for her support and comments.

Finally I wish to thank my father, Alan, for putting up with me and Phil and Barbara Day who were there when I needed them and Christine Walker for going over the final draft.

## Abstract

This dissertation addresses the question of the extent to which the concept of workplace reform has been compromised by the closure of the Tomoana (Hastings) plant of Weddel New Zealand Ltd.

The Tomoana meat processing company in Hastings was part of the Weddel group that went into receivership on 19 August 1994 with the loss of approximately 1800 jobs. The company introduced an ongoing range of workplace measures, starting in 1991, and these measures were still continuing right up to the closure. The meat processing industry has been going through a series of restructuring measures since the late 1970s largely because of various trading difficulties and a sharp decline in sheep numbers. Weddels attempted to improve their position in the market by introducing Total Customer Service ("TCS") supported by International Standards Organization ("ISO") certification and Occupation safety and Health ("OSH") requirements. Alongside these measures was a cost saving and efficiency programme of various procedures such as teams, flatter management structure, skill-based pay system, redundancies and a wage cut of 13 percent for most workers.

The on-site union officials were heavily involved in the implementation of TCS but once the May 1993 announcement was implemented the union was fraught with internal problems resulting in a change of president. All the workers on site, approximately 1800, were put through an introduction of TCS. For the majority of workers that was the last time that they had any direct input into the changes until the wage cuts on May 1993. The workers reluctantly accepted the agreement negotiated by their union on the proviso that all workers could be assessed and reskilled so that their pay would reflect the work that they did. This was never acted upon because the system was too costly.

A search of the literature found that workplace reform is an ill-defined concept because there has been no uniform approach that can actually pin-point and say with confidence, "that firm

is applying workplace reform initiatives". However testing a number of defining characteristics, found in the literature on workplace reform, against the firm's change initiatives may demonstrate whether those initiatives satisfy various definitions of workplace reform. Those defining characteristics are embedded in a participative and cooperative model involving all the stakeholders in a firm.

Was the concept compromised by the closure of Weddel? To ascertain whether this was correct the author reinterviewed a number of participants who had been part of a previous study on the initiatives introduced at Weddel Tomoana. In addition, to get a national picture of workplace reform, a key group of external participants were interviewed. What transpired from the evidence is that workplace reform initiatives at Tomoana were dominated by quality issues and cost saving measures. The participative and cooperative environment through involvement was management driven. The degree of involvement of all stakeholders in the initial stages of the change process was a marked improvement by meat processing industry standards. However this was short lived once management embarked on cost saving and efficiency measures. The trust that was in evidence in the initial stages gradually dissipated.

The conclusion is that the concept of workplace reform was not compromised at Tomoana because it never fully met the criteria as defined by the characteristics found in the literature. "Therefore the Weddel experiment was indeed something considerably different from workplace reform"

*This thesis is dedicated to  
my mother , Nora , who died in January 1991*

## Introduction

On 19 August 1994 the appointed receivers announced that Weddel New Zealand Limited ("Weddel") had ceased operating. On 2 February 1995, the New Zealand Commerce Commission came down with a determination under the Commerce Act 1986 ("the Act") that authorised,

*a conditional Agreement for Sale and Purchase and a Deed of Participation provided for the acquisition of the Weddel plants by the consortium, the subsequent disposal of the plant, land and buildings and the prevention of the remaining structures from being used for slaughtering and processing for at least 10 years. Provisions of the arrangement also prevent any member of the consortium from selling any slaughtering and processing plants unless the purchaser agrees to become bound by the Deed of Participation. (Commerce Commission: Decision No. 273, 1995)*

This determination followed an application under the Act by a consortium of North Island meat processing companies relating to the collective acquisition and closure of certain meat processing plants owned by Weddel.

This study is about the workplace initiatives that were introduced at Tomoana (Hastings), one of Weddel New Zealand Limited's plants. These workplace initiatives were introduced at all of its five plants in New Zealand at a time when the meat industry was experiencing a very difficult trading environment.

These workplace initiatives form part of an international debate on "best practice/high performance" organizations. In New Zealand and Australia, firms that introduce these initiatives are often described as introducing workplace reform measures. However not all firms are at the same stage of development and many may not be implementing the fundamental

genuine reforms as is identified in the research literature and typically referred to under the generic heading of 'workplace reform'. Having said that, many firms which are not conversant with the present debate may have introduced practices and measures that closely resemble the current debate on workplace reform.

According to the literature, (Piore and Sabel, 1984; Lane, 1988; Hirst and Zeitlin, 1991), the workplace is changing because organizations can no longer rely totally on past practices to operate and compete in an ever increasing global society that is demanding a product or a service that meets certain quality standards and rapidly changing customer demand. Past practices are those that have embraced the mass production model and at the core of this model are certain components.

- functional division of labour,
- centralised authority and hierarchies
- low trust industrial relations
- standardised low quality product
- arm's length customer and supplier.

However a more pragmatic approach is appearing where there is no 'one best way' and although this approach has taken off in many directions there are some commonalities emerging. The European debate centres around the Co-Determination Model (Germany), Sociotechnical System Model (Sweden) and the Flexible Specialisation Model (Italy). In Japan it is the Lean Production Model. In the USA it is centred around the Japanese Lean Production Model and the American Team Production Model. Both models are endeavouring to produce a high performance workplace. In Australia and New Zealand a similar debate is emerging between the merits of a lean production model and a sociotechnical production model.

These commonalities or crossovers involve firms who embark on a Total Quality Management ("TQM") path and the desire to rationalise the organization. Then there are those organizations that are implementing various forms of improved consultation, information sharing and team-

based working environments but who are still attuned to customer and market demands. This is where the debate is going to be fought. Can New Zealand firms move to that next step of true workplace reform or will they be content to remain in the former mode?

After reviewing the academic and popular literature on the subject a number of key defining characteristics have emerged and these have formed the framework for the analysis. These characteristics are summarised as

- Negotiated contract
- Job redesign
- Quality assurance through process intent
- Pluralistic working environment
- Training and skills formation
- New management tasks

To hold these characteristics together, organizations must demonstrate innovation and learning. In most cases firms that have been successful in implementing the above elements have a history of developing innovative product lines, marketing measures and new human resource developments in the workplace. Bolwijn and Kumpe (1990) believe that firms go through an evolutionary phased model to reach this stage. These organizations are often described in the literature as learning organizations and Jones and Henry (1992), after an extensive review of the literature on learning organizations, believe that it is through a series of phases that organizations are able to achieve that shared vision and purpose and a meaningful work environment.

With the dearth of research material available in New Zealand on workplace reform it is very hard to gauge what is actually happening. If the Workplace New Zealand - Designing the Future conference in 1992 is a measure, then at the time there was an enormous amount of interest in this debate. However from the euphoria of the above-mentioned conference there

seems to be a levelling out of interest from the majority of participants who attended that conference.

This may be for several reasons. One possible reason is that a recent survey of management in New Zealand found that by international standards, New Zealand's management style is low on participation and high on the emphasis given to the management functions more appropriate to a stable than dynamic trading conditions (Campbell-Hunt et al, 1993: 90). The other reason may be the size and structure of companies within New Zealand. Ryan (1994) argues that because eighty five percent of organizations in New Zealand employ less than five employees, these employers may find it difficult to institute a formal training programme for their employees and their workplaces are unlikely to have established formal mechanisms for employee involvement. But because of their smallness they may have an informal but effective degree of influence in the managerial decision making of that firm. However, Ryan (1994) goes on to say that large organizations in New Zealand are significant in employment terms where half of the labour force is employed in organizations which employ more than fifty people. Also, seventy five percent of New Zealand's workforce is employed in the service sector which, with the exception of the tourist and hospitality industry, is more reliant on domestic earnings. With this in mind, New Zealand has become more reliant on export manufacturing for its income from export receipts, however the primary sector still plays a significant role. Now with both sectors heavily involved in an ever changing international trading environment there is going to be more pressure put on New Zealand organizations to improve the way they operate and manage their establishments.

If New Zealand managers are less participative the divergent size and structure of New Zealand organizations and the reliance on export growth may inhibit genuine workplace reform initiatives. This may lead organizations to embrace a TQM model which Dawson and Palmer (1993) contend is more of a unitarist than a pluralist way of operating an organization. If New Zealand companies are embracing a unitarist approach and combining this with a regime of cost

cutting and staff reduction then this will not instil the trust that is so needed in applying an effective workplace reform model.

Overseas experience points towards a combination of lean production and team based production and this model suggests a partnership between management and union. However this approach may not suit the New Zealand environment because the Employment Contracts Act 1991 ("ECA") encourages an approach to Human Resource Management which can be the antithesis of the partnership model mentioned above.

That is why this study is so important in that more work needs to be carried out on the concept of workplace reform in order to ascertain what is actually happening in New Zealand workplaces. Do we have a New Zealand model or are we following overseas trends?

This study is about a meat processing company in Hastings which was part of the Weddel group that went into receivership on 19 August 1994 with the loss of approximately 1800 jobs. The company introduced an ongoing range of workplace measures, starting in 1991 and these measures were still continuing right up to the closure. In 1993 Dr Martin Perry, of the now defunct NZ Institute for Social Research and Development, carried out a research project at Tomoana on these workplace initiatives. Dr Perry's findings form a chapter in a book on workplace reform in this country.

The study is a follow-up to that project in that it attempts to ascertain:

" to what extent has the concept of workplace reform been compromised by the closure of Weddel Tomoana New Zealand Ltd."

The writer re-interviewed seventy five percent of Perry's participants and in addition to those participants a small number of key personnel at Tomoana were interviewed in order to ascertain additional information. To get an overall picture of workplace reform in New Zealand a number of key external participants were also to be interviewed.

It is hoped that analysis of the interviews will demonstrate whether the concept was compromised, and secondly whether Weddel's did introduce a 'genuine' model of workplace reform and, thirdly whether the measures introduced did correspond with an innovative and a learning organization.

To demonstrate this, the study is broken into 2 parts. The first part is both analytical and descriptive. Chapter 2 is the literature review of both academic and popular publications. Chapter 3 is about the history of Weddel and the workplace measures that they introduced at Tomoana. There is also a discussion on the state of the meat industry in New Zealand. Chapter 4 discusses the methodology used in the present study and the difficulties that were encountered before beginning the present study.

Part 2 is the analysis and this involves chapters 5-9. Chapters 5 and 6 involve the interviews with the managers and workers respectively who were employed at Tomoana. Chapter 7 is the interviews with the union officials who had an involvement on and off the plant. Chapter 8 involves interviews with the key participants in the area of workplace reform. Amongst these participants there is a broad spectrum of opinion on workplace reform. Chapter 9 is the discussion and conclusion and this integrates the preceding 8 chapters.

## Chapter One : Literature Review

### 1.1 *Introduction*

In recent times there has been an avalanche of popular and academic literature, from many streams of research such as, sociology, organization management, economics, law, industrial relations, human resource management, marketing, and political science, pointing to a distinct shift in the way organizations are and/or should be operating in an ever changing regional, national and international business environment. Examples are, Peters and Waterman (1982); Senge (1990); Weisbord (1989); Matthews (1994, 1989); Piore and Sabel (1984); Kern and Schumann (1989). In New Zealand examples are, Perry, Hill, Davidson (1995); Ryan (1995); MacDonald and Sharama (1994); Crocombe, Enright and Porter (1991). Eaton and Voos (1992), characterises the 1980s as a decade of experimentation in work organization, compensation systems, and labour/ management relations. (p173).

There is no doubting the fact that the twentieth century has witnessed a debate on how organizations should conduct their businesses to improve efficiencies and profits in a capitalist society. Examples of this have been Taylor's, advocacy of the principles of 'scientific management'; Elton Mayo's, Hawthorne studies; Maslow's, McGregor's and Hertzberg's, theories of work motivation; Twist and Bamforth's, Tavistock Group Experiments; and The Quality of Working Life and Job Redesign debate initially emanating from Norway and Sweden, and later in the USA. Much of the research literature over the last decade and a half has been concerned with discrediting the past and particularly 'Scientific Management'. According to its critics, organizations can no longer sustain a particular method of operation where each task was sectioned into smaller tasks and the control of these tasks were in the hands of supervisors. Markets are now demanding a quality product and service. If this is to happen the organization can no longer do this alone, they must now form a partnership with all the stakeholders within that organization. Critics also argue that the postwar boom of mass marketing, mass production and the mass political parties of social democracy had reached their peak in the late 1970s and

are now in decline. Marginson *et al*, (1988) have described this period as the 'Golden Era'. Harvey, (1989) describes a similar situation

A vast literature has indeed emerged, from both left and right ends of the spectrum, that tends to depict the world as if it is in the full flood of such a radical break in all these dimensions of socio-economic and political life that none of the old ways of thinking and doing apply any more. (p.190)

Neo-Marxists and non-Marxists alike who claim we are in *New Times*. They claim that there has been a decisive break with the economic and social patterns of this century and to describe this break the term 'Post-Fordism' is used. (Lash, and Urry, 1987; Jarques and Hall, 1989; Matthews, 1989, 1994; O'Brien and Wilkes, 1993.) Theorists of the 'New Right', (the author has used this term to refer to the synthesis of neo-classical economics and neo-liberal social/political theorists) believe there needs to be a complete break from past economic, social and industrial developments. Others have taken a more cautious view of developments and recognise that there have been major changes to manufacturing strategies, political and welfare systems, international economics, and industrial relations policies. Supporters of these developments use 'flexible specialisation' to justify their position. (Piore and Sabel, 1984; Lane, 1988; Hirst and Zeitlin, 1991). While there are some who see a paradigm shift in work organizations, others are more cautious or sceptical. Hyman, (1988) gives a guarded approval to flexible specialization so long as it is liberated from the dominance of capitalism. The seminal work of Williams, Cutler, Williams and Haslam, (1987) concludes that 'flexible specialisation' lacks empirical evidence and the reason it is so popular is that it strikes comforting and responsive chords to everyone who reads Piore and Sabel's (1984) work. Finally there are the observers who state that nothing has changed and that Taylorism and Fordism are still with us, but in a modified form of neo-Taylorism and neo-Fordism. (Parker and Slaughter, 1988a, 1988b; Pollert, 1991, 1988a, 1988b.)

The debate centres on the argument that there is no one 'best way' for organizations to approach change in the 1990s, but what is emerging is a new *vision* of "transformed" or "high performance

work" systems that have been developed over the last decade, (Applebaum and Batt, 1994; AFL-CIO, 1994; Badham and Mathews 1989). This new vision has no distinct principles but there are some commonalities emerging. The European debate centres around the Co-Determination Model (Germany), the Sociotechnical System Model (Sweden), and the Flexible Specialisation Model (Italy). In Japan the alternative methods of work organization are centred around the Lean Production Model. In the USA the alternative methods of work organizations are centred on the Japanese Lean Production Model and the American Team Production Model, both of which are endeavouring to produce a high performance workplace. In Australia there is a debate going on over the relative merits of the lean production model and a sociotechnical production model. In New Zealand a similar debate is emerging but it is too early to link any distinct features except to say that the first generation of change has been around a marketing and product quality system of improvement and it will be in that second generation of organizations that the new vision may emerge.

It is not the intention of the author to review the literature on all of the positions articulated except to say that they all have a contributing factor in the debate on workplace change and its response to market and political pressures. But it is important to map out the development to date so that some form of clarity appears on; Why is workplace change taking place? What changes are taking place? Who is leading these changes? Where are these changes taking place? Which changes matter? To be able to answer these questions the above literature needs to be placed alongside the literature on, Work organization, Innovations in management methods, (Zaltman, Duncan and Holbek, 1973; Applebaum and Batt, 1994; Mintzberg, 1979; Bolwijn and Kumpe, 1990; Hill, 1991;) Human Resource Management, (Beer *et al.* 1984; Guest, 1989, 1992.) and Industrial Relations, (Dunlop, 1958, Kochan *et al.* 1986; Kelly and Kelly, 1991), so that the wider picture of workplace change can be fully analysed.

This critique will address the questions raised above in the form of a conceptual framework by an overview of the past and present practices and determine if, a) there is a common link with the new work systems of high performance organizations, b) if there is a complete break with the

past. According to Ryan (1995), there is little evidence that the constellation of changes thought to be involved in workplace reform has been pervasive in New Zealand and the employers surveyed were found to be introducing a piecemeal approach rather than a coordinated approach. This dilemma is also occurring in many countries that are introducing change within their organizations and no clear *one best way* is emerging.

The writer will review something called 'workplace reform' by firstly examining the importance of Taylor's 'Scientific Management'. Then the writer will review the concept called 'Flexible Specialisation'. This will be followed by a review on whether there is an 'ideal type' and what is the reality in the modern workplace. Next will be a review of Fordism and Post-Fordism and the requisite elements of workplace reform that distinguish it from Taylor's 'Scientific Management'. These elements are, Innovation, Participation, Socio-technical systems, Quality, Human Resource Management and finally, Training and Skills. From this review a model of workplace reform will be constructed with a set of defining characteristics.

## 1.2: Taylor

The last quarter of the nineteenth and first quarter of the twentieth centuries saw a revolution in the way mass consumed products were made. Chandler (1990) describes how production was able to be organised on a scale never before witnessed nor attempted. Standardisation was the key to success. The mass production society was born with the standardisation of the product linked with the standardisation of the process (Henry Ford's moving production line) and standardisation of labour (F.W.Taylor's scientific management).

At the beginning of this century, the method of labour control and the efficiency of labour utilization was becoming a concern of management on both sides of the Atlantic. With ever increasing competition and the development of trade unionism there was a push by management to search for alternative methods of control. In Britain one route was the Cadbury and Rowntree system of benevolent paternalism. However others preferred a more direct method of labour control and it was this which Taylor provided (Grint 1991 p.186). Taylor's system was not

constructed to provide satisfying work, for all work Taylor assumed was about the acquisition of material rewards, not individual or social satisfaction, and the way to maximise rewards for all involved was to increase the division of labour (in management too), match the ability of the worker to that required by the job, use the cheapest form of labour and adopt intensive training methods ( Noble, 1974: 276).

The literature, on Taylorism, according to Grint (1991), had very limited practical application anywhere, notwithstanding the importance suggested in Braverman's seminal theoretical critique of capitalist labour process in *Labour and Monopoly Capital*. An exception was in the Soviet Union when Lenin wholeheartedly adopted Taylorism (Traub, 1978). But under Stalin it failed as the Soviet State was unable to completely master the labour process (Grint, 1991). Even in Japan, Daito (1979) was unable to identify any firm which adopted the Taylorist system in its complete form. The description of Taylorism could be described as a pervasive method to legitimize management, establish a central philosophy of work organizations and a linkage with the manufacturing methods introduced by Henry Ford.

### 1.2.1 The labour process and Braverman's deskilling critique

Braverman saw Taylorism comprising three principles; first, the dislocation of the labour process from the skills of the workers; second, the separation of conception from execution; third, managerial use of this monopoly over knowledge to control each step of the labour process and its mode of execution. Grint(1991: 190-197) lays out a condensed critique of the literature that followed the publication of "Labour and Monopoly Capital" and out of this literature a number of critical issues emerged.

One was the deskilling question. For Braverman, according to Inkson and Cammock (1984), a worker becomes deskilled when he/she loses control over the labour process. It is that separation of the worker's involvement in the conception and design of work which alienates him/her from the actual execution of the job to be performed (1984;152). However Braverman's (1974) analysis of the romantic notion of the highly skilled labourer of the pre-capitalist period

may have been more idealistic than real (Cutler, 1978; Harrison, 1984). According to Grint (1991), even if many jobs have been deskilled it is by no means self evident that the experience of work being controlled through a bureaucratic mechanism, or even through a machine, is necessarily more degrading than control transmitted through autocratic management (p190).

Second, to assume that work has been deskilled requires some formal definition of skill. According to Braverman (1974), skill is the equivalent of 'craft mastery' built around a set of technical components (p443). Grint (1991) believes that this is too narrow a definition and that we should also look at the social construction where, for example, clerical workers maintained their notion of skill because of the ability to read and correspond, but today are just another form of labour. The printing industry up to the 1980s managed to retain the notion of skill even amongst machine watchers. Could it be that it is the control over the labour process or the scarcity of labour (Kelly; 1985) or the ability of workers to influence the wider political process that determines the notion of skill? (Batestone *et al*; 1984)

The third concern of Grint was the control over the labour process and what that control was used for. Grint (1991), stated that 'advancing or protecting the interests of a particular group of workers may be at the expense of another less organized group of workers', (p191). Grint's concern was about stronger unions protecting their particular trade and the apprenticeship system was an example of that. Inkson and Cammock (1984) believe that the skill and control factor is a more complex argument than the oversimplified version which suggests that the more skill that is exercised the less control is available to management, (p152).

According to Cockburn (1983),

Skill itself.....consists of at least three things. There is the skill that resides in the man himself, accumulated over time. There is the skill demanded by the job - which may or may not match the skill of the worker. And there is the political definition of skill: that which a group of workers or a trade union can successfully defend against the challenge of employers or other groups of workers (p112).

The fourth issue was that Taylor, believed that if there was a persistent deskilling of labour this would lead to a deskilled working population. The opposite appears to be the case. Grint (1991) points to a survey carried out by Marshal *et al.*, (1988) where there had been a perception that a general deskilling of the workforce has taken place. In Marshal's survey 96 per cent thought the skill content of their job had remained stable or increased.

The fifth issue was Braverman's assumption that Taylor's methods were widely adopted and without resistance from workers and their representatives. Batstone (1988), in a major survey, found that only half of British owned establishments had introduced some form of work study and they were even less common in foreign owned companies operating in Britain. Braverman believed that for management in a Capitalist society scientific management, 'the one best way', was the most effective way of managing an indifferent labour force. According to Grint (1991), the 'one best way' could only exist if management were homogeneous, face common problems and encountered no resistance from workers as well as other line management (p192).

### **1.2.2: Understanding the labour process from a managerial strategy**

Bray and Littler (1988) point not to a labour process theory, as supported by Braverman's work, but more to a theory of managerial strategy to understand the events and process of past changes. Three lines of interrogation are used; (1) the concept of implication of rationality; (2) the relation between intended strategy and its implementation; and (3) the extent to which the labour process is the main point of reference for managerial policy (p559).

The bounded rationality, or "fire brigade" approach, is often highlighted in research literature on managerial change (Pettigrew: 1985, 1987). Companies who use this approach have tended to look at the day to day crises rather than long-term, strategic planning. Bray and Littler (1988) believe that choices have to be made within a set of constraints and if these choices fall within a

certain pattern then we are entitled to talk about managerial strategy (p558). But Bray and Littler (1988) do point out that the way that managers perceive these changes can be assumed away.

Pettigrew (1987) believes for the strategy to be successful it must imply a successful implementation and this is a very important, if fairly obvious observation, for it drove a stake right through the prevailing orthodoxy that strategies are and should be plans conceived in advance of making specific decisions (p21). Mintzberg (1978) believed that intended strategy is only transformed into emergent practices (realized strategy) with leakages at all levels of the organization. Child (1985) believed that one cannot infer a strategic intention from a particular form of work organization or job design as there may be other imponderables that were not taken into consideration when the strategy was designed such as decisions by supervisors, informal group practices or attitudes between workers, their representatives and management (p109). Pettigrew (1973, 1979 & 1988) and Quinn, (1980) explain that the possibilities and limitations of change in any organization are influenced by the history of attitudes and relationships between interest groups in and outside the firm and by the mobilisation of support for a change within the power structure at any point in time. Bray and Littler (1988) hypothesize that all control systems decay and are subjected to reduced efficacy in eliciting worker effort and commitment because of the contradictory aspects of the labour process (p559).

The final question is the degree to which the labour process is the central focus of managerial strategies. According to Bray and Littler (1988), labour strategies are not the dominant feature of managerial initiatives. But labour cannot be ignored as a factor of production. One avenue of debate that may explain this is the Chandler-type analysis where most decisions that have some bearing on the profitability and long term investment strategies of an organization are made amongst a small group of senior managers whose strategies are more focused on products/markets that have linkages and that do not include labour issues and process. Littler and Salaman (1982) cited ICI which in the early 1980s made more money from its foreign exchange department than in the selling of chemicals and this justified an expansion of that department threefold. Soffer (1960), in considering worker autonomy in United States firms,

pointed to those enterprises whose profits came primarily from sales efforts (newspapers), hedging in raw materials (textiles) and speculating in style (womens clothes). Production management and labour control were of secondary influence.

These two critiques suggest that management are not always rational beings, they are not aware of the long-term consequences and they do not always succeed and in a lot of cases create conflict between management and labour. Soffer's (1960) work, according to Bray and Littler (1988), demonstrates that the history of capitalist work organizations cannot be based solely on an analysis of the labour process. This is the dilemma that labour process theorists and Marxist face: the further they move away from the restrictive concern of the control of labour the less Marxist they become (Grint 1991).

### **1.2.3: Typologies of managerial strategies**

However it is important to look at the typologies of managerial strategies that have influenced the labour process debate. Unfortunately capitalist organizations do not operate in a one track mode. There is no simple casual line from phases in the development of capitalism to changes in the organization of work (Bray and Littler; 1988). Friedman (1977) argued that the peculiar nature of labour as a commodity (its malleability and its intractable nature) resulted in two types of strategies which top managers pursue for maintaining control over workers. One was 'Responsible Autonomy' where managers try to emphasize the positive and peculiar aspects of labour capacity, namely its malleability. Under such a strategy workers are granted responsibility and status; supervision is restricted whilst loyalty towards the firm is encouraged by various devices including welfare facilities, and the co-option of trade union leaders. The second type of strategy was 'Direct Control' in which top managers try to reduce the amount of responsibility of each individual worker by close supervision and by setting out in advance and great detail the specific tasks allotted to each worker. This could be described as the Taylorist approach. Grint (1991) and Bray and Littler (1988) are of the opinion that the 'Responsible Autonomy/Direct Control' description is hardly different from the development by Fox (1974

of high trust/discretion-low trust/discretion, or McGregors (1960) Theory Y, or the other human/neo-human relations theories of alternatives to direct control.

Friedman (1977) believed that each strategy had serious limitations. The contradiction of Direct Control is that it had the limitation of expecting workers to be frictionless machines and did not take into consideration the ultimate reliance on the cooperation of workers. With Responsible Autonomy the central contradiction is that it attempts to persuade workers to behave as though they were participating in a process which reflected their own needs, abilities and choices, whereas the objective of senior managers is to make steady and high profits, rather than tend to workers needs. According to Bray and Littler (1988) the latter point becomes obvious when product demand suddenly falls and job security is threatened (p561).<sup>1</sup>

Edwards (1979) expands the labour process debate by distinguishing between three phases of capitalist control; simple or hierarchical control, technical control and bureaucratic control. According to Edwards (1979) all three have come about because of worker resistance. It is argued that capitalist managements designed new forms of labour control in response to worker resistance, that, in association with the increasing size of organizations and the changing nature of inter-capitalist competition, there is a shift from simple to technical to bureaucratic control as the predominant type of labour strategy. Edwards (1979) also argued that American capitalism developed unevenly with different types of control predominating in different labour market segments. Edwards and Scullion (1982) were of the opinion that there were too many multi-facets to the nature of workers' relations with management in even the simplest of situations (p273). Bray and Littler (1988) and Storey (1985) believe that Edwards's (1979) work is more about the history of work in the United States than about the employment relationships within organisations.

---

<sup>1</sup> This is what happened at Weddel's plant at Tomoana. A shortage of sheep and new beef processing plants operating in their catchment.

The third writer, Burawoy (1979), identifies two modes of control - despotic and hegemonic; the former is largely the same as Friedman's (1977) direct control or Edwards (1979) simple control. The latter is about winning consent and has direct parallels with the notion of bureaucratic control. Burawoy (1979) states that anarchy in the market leads to despotism in the factory whilst subordination of the market leads to hegemony in the factory (p194). Later Burawoy (1983) introduces the notion of 'hegemonic despotism' which refers to a new balance of economic forces arising from the greater mobility of capital; "the fear of being fired is replaced by the fear of capital flight, plant closure, transfer of operations and disinvestment" (p603).<sup>2</sup> This enhanced power of capital is associated with new management practices such as Quality of Working Life (QWL) programmes and Quality Circles (QC) and Burawoy (1983), believes that this represents management's attempt to invade the spaces workers created under pre-existing regimes and mobilize consent for increased productivity (p603).

#### **1.2.4: Labour process as a dual process**

What the preceding discussion has demonstrated is that Friedman (1979), Edwards (1979) and Burawoy (1979) have attempted to develop 'ideal types', using the history of capitalism as a yard stick, as analytical tools for measuring the dynamics of the labour process. However the labour process concept is not just about control: it is also the interface between the means and the mode of production. In fact, the labour process could be described as a dual process of being material as well as social in nature. How does an employer balance the contradiction of treating the employee as a commodity, in so far as having an economic relationship, but also expect that employee to cooperate for the good of the firm? According to Bray and Littler (1988) this cuts both ways as the workers and their representatives also require the employer to provide them with work but maintain a relationship that does not amount to subordination. This is where the contradiction lies. Instead of the dialectic of control and resistance there is now an interplay between the parties of control, consensus and bargaining (p568). However in a market economy there is always that constant pressure for firms to undergo constant review of

---

<sup>2</sup> Again this was happening at Weddel's

their costs and operation and workers' become cynical when their firm introduces a cooperative environment and later decides to retrench.

The complexities of the control relationship are also highlighted in the organizational literature. Etzioni (1961) believed that the application of coercive or utilitarian incentives was not the way to induce workers to participation and compliance. There needed to be a symbolic approach. Fox (1974), looking more explicitly at industrial relations, used rather different dimensions labelled 'radical', 'pluralist', and 'unitarist'. (Fox's dimensions will be discussed later in this review).

### **1.2.5: Managerial power to control**

Another aspect is the monitoring or observability of the power of management to control operations. Bray and Littler (1988) use three general factors to determine where observability may exist. The first is physical separation where discretion is left to a subordinate. The second is the congruence of supervisor/subordinate skills where a job requires knowledge and skill and if the supervisor doesn't have those skills then the observability is drastically reduced. The third is where craft and professional groupings have a certain degree of insulation from management authority (p570). Management's response has been to construct elaborate monitoring systems to maintain a degree of control. The larger the operation, the costlier it becomes. Woodward (1970) believed that management is unlikely to devise enough mechanisms of performance and adjustment to ensure that every aspect of the organization's activities is adequately covered (p50). Therefore if an organization is to operate effectively and management needs certain forms of control then they must rely on the workers' cooperation to implement these controls. Burawoy (1979) believed that the consent is determined by subjective motives such as work groups and the positions of individuals within those groups and the enterprise which has a relative autonomy and which is crucial in the generation of consent.

### 1.2.6: Taylorism undermines the sole creative factor

To clarify this point Palmer (1975) used the example of workers using the mode of labour control in the nineteenth century as the sole creative factor in production. Taylorism and the wider efficiency movement acted to undermine this popular labourist view and substituted a concept of labour as a passive factor in production, a mere appendage of a machine. This may have solved the authority position of management but it didn't solve the problem of day-to-day shopfloor compliance. Therefore the control relationship cannot be derived from simple organization structures and to understand this relationship a degree of subjectivity is needed. According to Bray and Littler (1988) the control relation is not the best means of understanding the development of organizations and production process (the area of commitment and compliance will be discussed in the literature on Human Resource Management.)

Bray and Littler (1988) also believe that labour process theorists have leant too much weight on the control factor and have neglected the *social* and *material* processes of production. These two characteristics, especially the latter, need to be brought back into focus by suggesting an adequate theory of the market, long wave economic phases and the full circle of capital. There also needs to be a shift away from a focus on the point of production to an emphasis on the political economy of the labour process and the approach to the concept of the labour process should be in a more non-determinate basis (p579).

Having explored the labour process debate the writer has reached the same conclusion as Bray and Littler (1988) that labour process theorists have concentrated far too much on the control factors within organizations. Bray and Littler (1988) want the labour process debate to focus on a systematic analysis of technology as they believe that the labour process is about the interface between the relations of production and the means of production (technology, techniques etc), (p575). The writer believes that Bray and Littler's (1988) conclusion is one way to explain what is going on in organizations, but there are other ways of looking at this complex subject. Kenney and Florida (1992) believe that the rise of new organizational forms is mostly stimulated by the decline and transformation of twentieth century Fordist industrial capitalism.

### **1.3 An economic perspective**

First, there is, Schumpeter's (1954), work on the 'trade cycle' which contends that capitalism can be divided into a series of stages or historical periods which differ on the basis of underlying technological conditions and organizational forms. These have been described by Matthews (1994) as emphasising the role of innovation and the diffusion of technical developments. Second, there is the economic dimension linking technological waves of innovation with changes in investment and ultimately consumption, mediated through government macroeconomic strategies. Third, there is the notion of a paradigm shift'.

For Freeman and Perez (1989) this meta-paradigm of technological efficiency has under-pinning it an economic structure based on cheap steel and electricity during the first period of 1880 to 1930; cheap oil during the Fordist period of mass production and the final era is centred around microelectronic technologies of information and control. Badham and Mathews (1989) find a lot of merit in Freeman and Perez's (1989) grand sweep of industrial history but it is too broad as it encompasses both neo-Fordist and post-Fordist options for utilising new technologies. Badham and Mathews (1989) believe that rather than emphasising technical factors as a foundation there should be the question of labour responsibility and worker autonomy being two of the defining components in a paradigm change.

The question of labour responsibility and worker autonomy is explored further in the next section where Piore and Sabel's (1984) work argues that the economic system has been in crisis since the 1970s and a new system is born out of the ashes of Taylorism. This is structured around cooperation, knowledge, and skilled workforce.

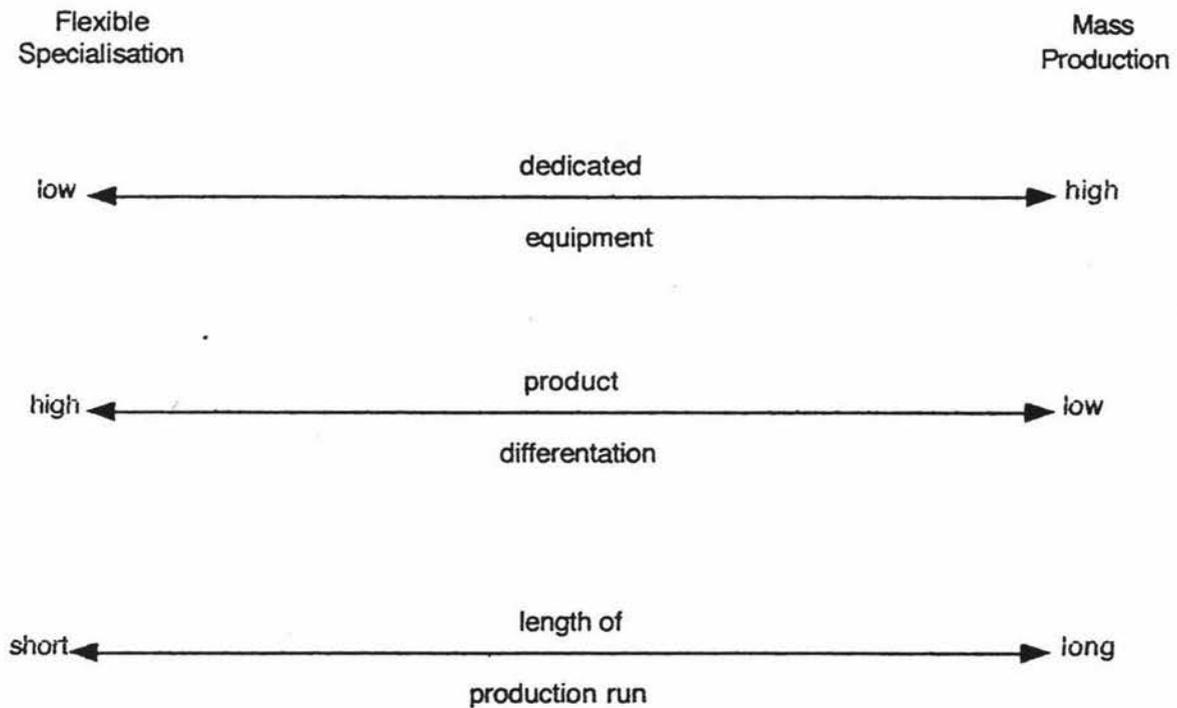
### **1.4: Flexible Specialization**

Another paradigm that has attracted more controversy and derision than it has supporters, (Hyman, 1988; Pollert, 1988; Williams, Cutler Williams and Haslam 1987), is Piore and Sabel's (1984) book *The Second Industrial Divide*. Piore and Sabel (1984) argue that the Western

economic system has been in crisis since the 1970s, and out of this crisis a tension has arisen between two basic modes of production organization: mass production and craft production (flexible specialisation). This political contingent model of development Piore and Sabel (1984) call the "branching tree model". This is where struggles among political groups (though not necessarily classes) determine which of these forms will predominate in a given historical epoch. Piore and Sabel's (1984) analysis focuses on the technology and the social organization of production and this strategy is based on flexible-multi use equipment, skilled workers and the creation of a tightly networked industrial community based on cooperation and knowledge sharing joint development and joint involvement in production. Piore and Sabel (1984) cite the network of firms operating in Northern Italy as justification of their "branching tree model" and suggests that this form of production is already in evidence in many of the advanced industrial countries which have experimented with cooperative networks of small industrial firms.

The weakness in Piore and Sabel's (1984) argument, according to Williams, Cutler, Williams and Haslam (1987) is that mass production and flexible specialisation cannot be satisfactorily identified because a specific enterprise or industry cannot be neatly situated in either the mass production or the flexible specialisation concepts (p. 415). **See Figure 1.1** Williams et al (1987) cites the car industry to justify their argument. According to Williams et al (1987), dedicated equipment is not used just for one model because for machinery to be economic it must be capable of retooling numerous model changes over its life span which in some instances can be 20-30 years. With regard to product differentiation, the question that Williams et al (1987) raise is that differences apply in both flexible specialisation and mass production (p416). With regard to length of production runs, Williams et al (1987) point out that Piore and Sabel (1984) provide no statistical evidence on where mass production crosses over to flexible specialisation (p416). Williams et al (1987) also point out that Piore and Sabel's (1984) argument is weakened when mass production is supposed to have replaced the sole craftsman form of flexible specialisation in the late nineteenth century and now flexible specialisation is supposedly replacing mass production (p417). The question Williams et al (1987) raise is that

if we cannot identify instances of mass production or flexible specialisation then how can we determine that one type of production is displacing the other?



**Figure 1.1: Making Distinctions**

Source: Williams et al (1987)

Williams et al (1987) did concede that advanced economies were not prospering and that flexible specialisation might provide a basis for industrial regeneration. Williams et al (1987) however believed that there is a degree of exaggeration of the benefits from flexibility and the regeneration of manufacturing and its benefits to manufactures and workers would be less than promised by Piore and Sabel. For Piore and Sabel's (1984) thesis to be successful it must flow into the national economy rather than "islands of prosperity". To date the benefactors are in select areas of manufacturing such, as the development of computer technology. Further in the 25 August 1995 edition of the International Financial Times under the heading, "Seemins wins

contract", where the giant German company won generous tax and other government assistance to set up a multi billion dollar manufacturing plant to provide the European market with computer chips, confirms Williams et al (1987) and Hymans (1987) concerns about the proportion of development in selected areas and not having an overall benefit to the nation.

The counter-criticism to Williams's et al (1987) critique of Piore and Sabel's (1984) is comprehensively dealt with by Mathew and Badham's (1989) response. The latter authors are in addition responding to Pollert's (1988) and Bramble's (1988) criticism of Piore and Sabel's (1984) work. However as Williams et al (1987) work is mentioned above it would be prudent to keep to their argument. Mathew and Badham's (1989) position is that Williams's et al criticism of the new production concepts are misdirected and confused.

*First;* Williams et al (1987) doubt the existence of a dominant paradigm of mass production or Fordism. Badham and Mathews (1989) would agree that these paradigms may not be totally dominant but the fact that there is a range of variation doesn't prevent the use of a term such as Fordism from acting as a rough guide to denote a specific constellation of production process characteristics that have had a major impact on world production.

*Second;* As Williams et al (1987) refuse to recognise the rise to dominance of a mass production system they do not engage in the debates over its fall from dominance. However Badham and Mathews (1989) believe that as markets are changing not only will the standardised product be dominant but other systems of production may be in competition with mass production.

*Third;* According to Badham and Mathews (1989), Williams et al (1989) went to great lengths and effort to query the break-up of mass markets by demonstrating that firms still maintained healthy volume and value of output through voluntary product diversification. Badham and Mathews (1989) cite Child's (1987) who argues that it is product variability, not product variety, that has the significant result of changing the organizational structure.

*Fourth;* Badham and Mathews (1989) agree with Williams et al (1989) that the labour process is too often over played in enterprise calculations. However Badham and Mathews (1989) can't agree with Williams et al (1987) that skill formation and work organization strategies should not

be regarded as a central component of a firm's production strategy. Badham and Mathews (1989) use Streeck's (1987) argument that in West German firms, skill formation and industrial relations may be extremely influential in determining most facets of a firm's marketing and product strategies.

Badham and Mathews (1989) want research directed towards a more value-laden paradigm that has a worker-oriented perspective. Such research should investigate the realisation of this perspective rather than the radical pessimism that has gripped many of the critics of these new production concepts such as, Fields and Bramble (1992), Gahan (1991), Pollert (1988) and Hyman (1988). If industrial relations and skill development are to be the centre piece of Badham and Mathews (1989) advocacy of a worker oriented perspective with a move from a Fordist/Taylorist approach to a Post-Fordist strategy, then a number of issues must be explored in order to ascertain whether there is any credence in this approach.

### **1.5: Ideal Types and Reality.**

What is important is to avoid the tidal wave arguments of Sabel and Piore (1984) and Hirst and Zeitlin (1991) without restoring to the Canute-like position of Pollert (1988). According to Grint (1991), capitalism is inherently dynamic and fragmented in its make up and within organization it is possible to have a situation where Fordist and Post-Fordist techniques exist side by side. Grint (1991) goes on to argue that you can't isolate the social and technological factors of work. In a workplace there are few if any forms of work that do not require a combination of human and non-human aspects to transform or create anything, and to separate the two out is not simply problematic but illogical. The writer believes that the key is looking for the forms of adhesion between social and technical facets of work and not the methods of division that are at present the focus of explanation. The next section will discuss this dual proposition of human and non-human aspect of work.

## **1.6: Post-Fordism and Fordism.**

The argument so far has been about a debate with Taylorism and the nature of the modern workplace. Nevertheless none of this is exactly new. However there are changes happening in the workplace and they need some explanation.

If we are to accept the scenario developed by Grint (1991) that a dualist approach is operating in workplaces then it is appropriate to develop those elements that make up this dualist approach. In America the work of Kochan et al (1994), Applebaum and Batt's (1994), Osterman (1994) and Cutcher-Gershenfeld (1991), demonstrate that change is happening in American workplaces. In Australia the work of Mathews (1989, 1994) and New Zealand Perry et al (1995) and Ryan (1995) examine the extent of change that is happening in organizations in New Zealand.

Kochan et al (1994) found an evolutionary approach linked to collective bargaining and a firm's strategy as the key elements to a transformational workplace. Applebaum and Batts (1994) established a range of typologies to test what was actually happening in American workplaces. Applebaum and Batts (1994) found major changes in management methods, work organizations, human resource management development and industrial relations. Osterman (1994) centred on four areas of change: teams, job rotation, problem solving and Total Quality Management. Mathews (1994) work concentrates on particular practices such as new technology and work organization. Cutcher-Gershenfeld's (1991) work involves a conflict resolution method of change underpinning this with cooperation, worker autonomy and involvement in workplace design. Perry et al's (1995) research is a cross sectional approach to a number of industries with TQM as the main theme and union involvement is moderate to low. Ryan (1995) found that there is no discernible pattern of an integrated approach to workplace reform. Team work is centred around quality and problem solving rather than the self directed approach and organizations, rather than individuals, have on the whole been the benefactors. Finally labour

relations has become secondary in the employment relationship with a move towards quality and customer consciousness.

What the above demonstrates is that workplace reform is not a uniform approach to change, however there are a number of elements that need further examination. They are innovation, participation, socio-technical systems, quality, human resource management, and training and skills development.

### **1.6.1: Innovation**

A recent review of perspectives on innovation in organizations by Slappendel (1993) has turned up an interesting viewpoint. What Slappendel (1995) discovered was that the whole area of organization innovation has been centred around a 'survival' or 'structuralist' approach to innovation. But a growing body of research is moving towards a mid-way position between a structuralist and an individualist approach where an interactive approach is needed (p45). These two approaches are reviewed below.

Briefly the structuralist approach is developed in times of crisis and survival and is determined by organizational characteristics. The main advantage, according to Slappendel (1993), is that it overcomes a narrow concern with the organization itself by drawing attention to the interrelation of organization and environment (p23). Its disadvantage is that the organization's factual character is unchallenged. Zaltman et al's (1973) work is crucial to this structural approach in that they believe that if organizations implement innovations (then) they must go through various stages. Slappendel (1993) points out that the gathering and processing of information, which is crucial at the initiation stage, is facilitated by high complexity, low formalisation, and low centralisation. However once the implementation stage is under way the complexity is lowered and the formalisation and centralisation are much higher (p31). Zaltman et al (1973) also found that the ability to go successfully through these stages required the ability to deal with conflict and manage interpersonal relationships (p155).

According to Slappendel (1993), this particular approach is based on the work of Burns and Stalker (1961) where they identified two ideal structural types linked to particular environmental conditions. The 'mechanistic' organizational structure (highly formalised rules and procedures, centralised authority and control and low complexity of tasks) was found to be appropriate in stable environments, whereas 'organic organizational structures (low on formalised responsibility, low centralisation of control and authority and highly complex skills and expertise ) existed best under uncertain and turbulent conditions (p32).

Slappendel (1993) notes that the work of Burns and Stalker (1961) has been refined by Zaltman et al (1973), who state that there is a degree of contradiction in the above work of Burns and Stalker (1961) who suggest in turn that an organic structure is required for the initiation of innovation, whereas successful implementation may require a mechanistic structure. Zaltman et al's (1973) work is taken one step further by Daft (1978) who suggests that innovative action takes place as 'dual cores' where different departments may exhibit different structures along an organic-mechanistic continuum (p207). Slappendel (1993) points to a similar conclusion by Kanter (1985) whose work on 'change masters' research suggests that innovation may be facilitated by parallel structures in which task forces operate alongside a core structure with more routine operations (p32).

Slappendel (1993) is of the opinion that this form of innovation process is too limited and that more detail needs to be applied to the process where a variety of concepts are introduced. These are, 1) a non rational approach of organizational behaviour, instead of the rational model of economic decision making; 2) attention needs to be given to the political context in which the innovations are introduced; 3) an understanding of the dynamic nature of the innovation process and the changes that occur to the innovation of interest (p44).

### *The learning organization*

If organizations are to 'change and think differently' then the measures they must take are not just incremental moves to revive past failures. These moves must be seen as the right ones for the

company, and one of the mistakes that organizations make in implementing a learning regime is that they don't involve the people who count. Hayes, Wheelwright and Clark (1988) discovered in their research that a 'people first' approach was present in organizations that were found to be successful (p250). Jones and Hendry (1992) are of the same opinion that unless the employees have a stake in the company's vision of change and transformation, the chances are that it will not be achieved, (p49). The literature cited by Jones and Hendry (1992), for example Senge (1990) and Kanter (1985), is driven by some form of spiritual awakening, a vision, a shared philosophy, a family feeling. However, Pettigrew (1985) and Walton (1987) believe that organizations that want to change must require persistence, patience and the capacity to see that the desired change is implemented.

#### *Evolutionary model of innovation*

Bolwijn and Kumpe (1990) highlight Pettigrew's (1985) and Walton's (1987) concern about persistence patience. Bolwijn and Kumpe (1990) which they referred to as a four phase model. Within this model the organization moves through the various stages of change but it cannot proceed to the next stage until the present one is completed. This four phase model is illustrated in Figure 1.1

	Market requirements	Performance criteria	Firm (ideal type)
1960	Price	Efficiency	The efficient firm
1970	Price, quantity	Efficiency + quality	The quality firm
1980	Price, quantity, product line	Efficiency + quality + flexibility	The flexible firm
1990	Price, quality, product line, uniqueness	Efficiency + quality + flexibility + innovative ability	The innovative firm

Source: Bolwijn, B.T. and Kumpe, T. (1990)

#### **Figure 1.3 A Four Phase Model of Organizational Change**

The innovative firm, according to Bolwijn and Kumpe (1990), succeeds in using the knowledge and expertise of all its employees. This now leads on to the next part of the review, where the balance between being able to let go and a tight hands-on management approach is examined.

### 1.6.2: Participation

Participative decision making is seen as one of the key building blocks of workplace reform. Studies in America are mixed on the extent of real participative decision making in the workplace. Miller and Monge (1986) reported a positive relationship between management and employees. Results by Wagner and Gooding (1987) could not come to any real conclusions on positive participative relationships because it depends on the types of workers, their environment and workplace. Ledford et al., (1988) found that members of quality circles became disillusioned when they kept getting negative responses to their suggestions and stopped meeting. Hollander and Offermann (1990) found that members involved in participative schemes believed that participation was a sham designed to give them a sense of involvement to motivate them without giving them any real influence. Kelley and Harrison (1992) found that while employee participative/employee involvement programmes may positively influence the perceptions of both employees and managers, there is mixed evidence that participation has any tangible effects on the behaviour of managers or workers.

In New Zealand a recent review of management practices, by Campbell-Hunt, Harper and Hamilton (1993), found similar results. There is a degree of pessimism about the extent to which New Zealand managers make use of participative practices in labour-management relations. This review concluded that outside the traded goods sector, two-thirds of employers did not seek input from employees at times when it would be valuable, and that New Zealand managers were the least participative of managers in all Pacific rim countries. (Campbell-Hunt et al, 1993: p86-87)

#### *Unions and participation*

Kelley and Harrison (1992) found that workplaces that had a strong union presence were more likely to have efficient employee participative/employee involvement programmes than non-union establishments that operated similar programmes. In management-initiated schemes the narrow focus and limited objectives for which these programmes were designed are quite possibly frustrating these aspirations undermining the trust and commitment so necessary for

success (p277). There is no doubt that employee/union-management involvement presents a real challenge to management and the union movement. However, there is also no guarantee that cooperation will produce a wonderful workplace, but there is a chance that some good may come out of the participative moves made by unions and employers. Cohen-Rosenthal and Burton (1991) believe that the result from any union-management cooperation may simply be *respect* between the parties.

The literature has shown that there are various reasons for the introduction of participative schemes. From the union point of view, Deutsch and Schurman (1993) found it is the guarantee of job security with links to skill upgrading; improved health and safety on the job; and have an influence over the introduction of new technology at work. Marshall (1987) and Lewin (1992) demonstrated that from the management perspective the ultimate goal is the improvement of work group, workplace or company-level performance in productivity or product quality. Mishel and Voos (1992) found evidence that the participation of unions increased the economic performance of companies than non-union premises.

### *Participation and Ideology*

In most cases, the degree of worker participation is determined by the style and method of work. Smith (1978) believes the crucial question that must be asked is what is the aim of that participation? (p73) Smith develops an argument centred around the unitarist and pluralist ideology introduced by Fox (1965). Fox suggested that there are two broad perspectives on industrial relations, a naive 'unitary' and realistic 'pluralistic' perspective. Unitarists see members of the enterprise striving towards the achievement of a common objective. There is one focus of authority, the manager. Smith (1978) believes the closest analogy perhaps is that of a team and that unions are unnecessary in the modern world of paternalistic management (p74).

On the other hand the pluralist view sees the enterprise as consisting of many separate interests and objectives. Management believe that if you have moved down that track then the common

purpose which exists may be rather limited. Smith (1978) argued that management would only see unions acting merely as a vehicle for the expression of conflict that would emanate from this type of expression (p74). Therefore it is hard to see management wanting to involve unions in a participative model that is not in their interests.

Accepting the need to sit down with a union and develop a democratic and participative system of industrial relations is to many managers an abdication of power. Therefore when management talk of cooperation, participation, information sharing, commitment, teams and joint consultation, in reality it is no more than just a sophisticated means whereby management create an illusion of sharing. Smith (1978) concluded that in New Zealand all of the schemes reflected an underlying degree of unitary philosophy centred around task-centred rather than power centred participation (p79). The present literature on participation, as introduced above, is therefore still centred around task rather than power centred participation and Smith's analogy is still correct to the present day.

### **1.6.3: Socio-technical systems**

#### *Its origins in Tavistock s and the Nordic Schools*

Socio-technical systems theory is about the focused links between technical systems of production and the social system of work. The paradigm has developed over the last four decades from a coincidental rediscovery of a flexible form of work organization in a British Coal mine into an integrated alternative to Taylorism.

The Socio-technical approach emanates from the work redesign systems developed by the Tavistock Institute in England in the 1950s ( Trist and Bamford, 1951: Trist et al., 1963). In these field studies, researchers discovered an alternative form of work organization (the so-called semi-autonomous work group) which they tried out on a limited scale. This work was part of the pioneering and classical periods of the sociotechnical systems development which had mixed success.

*Nordic schemes of Industrial Democracy*

Then there was the Industrial Democracy Programme in Norway, ( Emery and Thorsrud, 1964/1969/1976). In this project employers, employees and the government for the first time jointly researched and improved the democratic quality/content of industrial sectors. This programme met with moderate success. According to van Eijnatten (1993), this limited success because of research and developmental problems, resistance that was being encountered by certain local management, unions and government agencies and crises in the market. Grint (1991) raises similar concerns about local managers where there will be resistance from line managers whose status, power and possibly even security, are threatened by such developments.

*Sweden develops it further. Success or Failure?*

In Sweden there was enthusiasm, especially from automotive employers, to promote a sociotechnical programme when the Kalmar plant was built in the 1970s, Uddevalla in 1985 and Malmo. Employers were finding it difficult to compensate for an unhealthy working environment and arduous working conditions when the wages were high and the benefits were good. These new work methods of assembling a complete car by a team required flexibility and quality of work and to maintain flexibility and quality a stable and committed workforce was required. Volvo is probably the one company that has been to the fore in pioneering these new forms of work organizations, especially the Kalmar plant. (For a more detailed overview of Volvo, see Berggren, 1992). However the Volvo experiment reached a crisis point in the late 1980s and because of a sharp decline in capacity utilization, the car division at Volvo were forced to revert back to conventional methods of assembling cars.

The approach that Volvo took demonstrates that unless profit margins are satisfactory the shareholders and directors will retrench and this is what happened at Volvo. They reverted back to a more conventional style of car assembly at their Ghent plant and the potential of the humanistic approach to work that was attempted at Volvo's other plants remains unrealised. The Ghent plant had a proven record of efficiency and this demonstrates that when employers are under pressure to perform they cannot wait around for experiments to evolve into reality.

Cole (1979) noted that the aim of the Swedish was to achieve a more fundamental change in the basic structure of the organization with rather open-ended possibilities for worker influence. In Japan the job redesign occurs in a context of unquestioned management authority. The emphasis was not on participation per se, but rather on achieving the consent of the workers for policies which management want to pursue. On the other hand team concept in Sweden is more along the lines of a social compromise.

Gustavsen (1993) believes that if socio-technical systems are to be an alternative to Taylorism the principle of a communicative autonomy or democratic dialogue linked to the workplace development needs to be applied.

#### **1.6.4: The quality debate**

This debate appears in most of the recent literature on workplace reform in America (Applebaum and Batt 1994), Britain (Hill 1991), New Zealand (Perry, et al 1995) and to a lesser extent in Australia (Dawson and Palmer, 1993, forthcoming), and in Europe and the Scandinavian countries (Berggren, 1992).

The recent literature on quality centres around the Total Quality Management (TQM) perspective. This literature is largely concerned with the alleged virtues of the approach and the leading components and the techniques embodied in the concept. According to Hunter and Beaumont (1993) the existing literature is highly descriptive and prescriptive in nature (p319). However Hill (1991) attempts to defend the process in that it meets the interests of the employees while providing top management with an effective way of organizing in the new times and has the potential to be a long term initiative (p540). Hill defends the concept in that it is a start towards participation from the bottom. As mentioned above by Smith (1978), most participation is *task centred* and Hill (1991) is under no illusion that this is the case where workers' involvement is mainly constructed around job solving problems. However Hill (1991)

states that under TQM the rank and file employees do have more say, so TQM meets at least part of their aspiration for more participation (p565).

Palmer and Dawson's (1993) work on the introduction of TQM management in Australia and New Zealand found that TQM allows participation through methods that do not provide for the pluralist representation of competing interests. There is an assumption of an underlying common interest of outcomes. The unitary nature of the decision making processes, according to Dawson and Palmer (1993), brings into question the issue of trade union involvement in TQM. It is anti union because unions represent a pressure for pluralistic decision making. It is designed not to represent different interests but is more of a homogenising approach to lessen differences across the organization (p127).

Hill (1991) believes that the participative role is not extensive and does represent a major move towards industrial citizenship or industrial democracy. But it is a start to breaking the managerial prerogative of arbitrated decisions affecting the work process.

In the United States TQM is starting to show signs of stress. Strong advocates of the concept suggest that unless TQM demonstrates that it can deliver on cost savings and efficiency then it will be assigned to the waste bin like a lot of other failed schemes of the past. In the January issue of the Economist (1995) under the heading, 'The straining of quality: the once prestigious Baldrige award for quality is in decline' it states.

In 1994 only 71 firms vied for a Baldrige a fall of a third in three years. Companies are having trouble blending with the wave after wave of restructuring, downsizing and re-engineering along with tumbling prices is adding strains to TQM. Hewlett-Packard now treats TQM like any other investment: if a particular total-quality initiative doesn't show a quick return in terms of higher sales, lower costs or happier customers it is redesigned or scrapped.

### **1.6.5: Human Resource Management**

If workplace reform is about participation and union recognition then where does the debate on Human Resource Management policies lie? Human Resource Management (HRM) has its supporters and its sceptics in the debate on workplace reform. Katz (1993) believes that with product market shifts, technological change, and new forms of work organization the old methods of institutional frameworks may be insufficient to cope with these new forms. Katz (1993) is of the opinion that the sophisticated Human Resource Management Model of innovative workplace arrangements, direct participation by workers and local officials, team work, performance-based pay methods, participatory programmes, extensive training, and employment security may be one way of coping with these new form. In the United Kingdom Purcell (1994) discovered that there was very little in the way of the sophisticated Human Resource Management Model that Katz (1993) talks about.

According to Boxall (1993), the literature on Human Resource Management (HRM) operates in two camps. One camp sees HRM as a particular management strategy emphasising employment commitment and rendering unions unnecessary. The other sees it as a broadly based theoretical development concerned with building links between business disciplines of HRM and strategic management (pp. 657-659). The writer sees a third position developing where the literature is signifying an important change of emphasis to link trade unions to economic performance, eg Metcalf, (1990); Mishel and Voos, (1992). Kochan and Dyer (1993) also believe that HRM must change. They suggest that the strategic human resource models of the 1980s were too limited and reactive in character because they depended so heavily on the values, strategies and support of top executives and line managers.

Beaumont (1992) describes HRM as how an organization seeks to compete effectively in the product market. With this in mind, commitment is one of the central issues that employers are demanding when they introduce Total Quality Management practices to their establishments. According to Guest (1992), commitment raises a lot of unanswered questions about how this affects the relationship with industrial action and union membership. The literature

demonstrates that there is a possibility of dual commitment but there is an insufficient body of research on which to base any conclusions. However Guest and Dewe's (1991) work on the measure of commitment in 6 European countries shows dual commitment in countries that have a cooperative style of industrial relations such as Sweden and Germany. By contrast, in the UK the research shows commitment to neither company nor trade union and Guest and Dewe (1991) suggests that both companies and unions have a long way to go to generate higher commitment. The work of Inkson (1976) and Eichbaum (1980) based on the work of Goldthorpe (1967) found that affluent workers do see their relationship with their firms very much in instrumental terms and while their attachment to unionism was strong, it was not informed by a 'proletarian sense of class consciousness'.

In Guest's (1992) model of HRM proposes that commitment is only one of a number of HRM outcomes. The others are *strategic integration*, that is the fit between business strategy and HRM; *Flexibility/adaptability*, which refers to the content of jobs and the skill required to perform them and also to the structure of the organization; and *Quality*, which covers the quality of work, the quality of the workforce and quality of treatment of the workforce by management (p129).

According to Guest (1992), writing out of a British context, very few organizations achieve this set of HRM policy goals. Those that have been successful are usually non union plants or greenfield sites (p130). Guest suggests that it is very difficult to introduce employee involvement programmes in established plants. There is resistance from many quarters and suspicion from workers and management when established patterns are changed. New technology may require expensive training and redesign of workplaces. Middle management resists involvement programmes in workplaces that operate a compliance model of work.

The strategic approach of Beer et al (1984) (*The Harvard framework for HRM*) left the way open for management to choose a multi faceted approach. This gave a series of options for a range of stakeholders that allowed for business strategies to be applied, but it also allowed for

compromise with the workforce and unions. Boxall (1993) believes that this approach was absent in the unitarist HRM strategies pursued by Fombrum et al (1984). While Boxall (1993) believes that this approach does need refining, it does recognise the centrality of the governance of the employment relationship by allowing a number of options to deal with situations that arise (Beer *et al* , 1984).

What the above demonstrates is that different HRM strategies apply differently to firm's depending on the type of operation, management and staff relations and pressure of the business to gain new markets or retain what they already have. Walsh (1994) does not share Katz's (1993) optimism because, he argues, very few firms are developing sophisticated HRM policies and there is still that entrenched view held by management of retaining a managerial prerogative.

#### **1.6.6: Training and Skills**

The traditional Fordist notion of narrow job definitions, deskilling in many industries and of craft unions protecting their skilled members, either through apprenticeship schemes or demarcation issues, is in direct contrast to the Post Fordist approach to skills formation. A broader base of job categories, career progression, multi skilling and training is seen as a prerequisite for the job. The reasons for the change in emphasis on skill development have been product market shifts, technological change, and new forms of work organization.

The fundamental property possessed by workers is their skill. It is this which gives them bargaining power in the labour market, for it is their skill, more than their physical strength or other attributes, that they trade for a wage in the employment contract. The Australian Council of Trade Unions (1987; 1992) recognised the formation of skills as a fundamental key to their members survival as does their New Zealand counterpart in the NZCTU's (1993) publication on skill formation.

The protection and enhancement of skill, according to Mathews (1989), is still an elusive and poorly defined entity. This is not to say that unions have not recognised the importance of

skills. In the nineteenth century groups of workers recognised the significance of retaining their skills and formed barriers to the entry of lesser skilled workers. For most workers the possession of a qualification is deemed sufficient to demand protection and/or extra wages. However the debate has moved on from this narrow thinking. Firms that initiate quality of service and product to their customers, introduce new technology, and introduce teams will need to be proactive in making sure that everyone takes a broadband approach to their work. This means that skill is going to take on a new meaning. The now defunct New Zealand Planning Council (1990) publicised a discussion document which pointed to a need for the whole economy, especially in education to improve skill levels to match the Germans, Japanese, Swiss and other countries that out-perform the New Zealand economy (p23).

The writer believes that we need to go one step further and not just look at training and education, but look at other factors, such as adequate career structure, with steps defined by skill acquisition; an adequate industrial relations system that recognises and encourages career development; the acquisition of new skills in an ever increasing world of new technology, quality and a regulatory environment. Arguably, this can only come about if there is a tripartite approach of unions/employers and government. In Germany and Sweden, according to the report *Towards a New Metal and Engineering Award*, a tripartite approach applies and skill acquisition, training and education are seen as a benefit and not as a cost (MTIA & MTFU, 1988).

The most aggressive skills formation programmes, according to Hodson et al (1992), have come from arrangements between management and labour unions in core industry sectors. Hodson et al (1992) found that these core industries who compete in the international market have had to introduce highly sophisticated technology to maintain their competitiveness. These industries have introduced customized job training alongside innovative labour practices. The question that Hodson et al (1990) had with this approach was the difficulty of transporting those skills to another organization as the skills learnt were peculiar to that firm and some form of credential was important. This could be a problem in New Zealand where industries are not

large enough to sustain a person for life and with insecurity of employment some form of portability is important. Streeck's (1987) research in Japan and Germany pushes the point that what firms need today is not just functional skills dedicated to a specific purpose, but skills that can be put to many different uses.

A number of unions, especially the New Zealand Engineers Union (NZEU), recognise that the traditional union approach to skills formation locked them into a possessive mentality of protecting their trade through apprenticeship schemes and demarcation boundaries with other unions. The area of apprenticeship training was seen as a one off training opportunity and this restricted career development. According to Jones (1992) the NZEU wants to create a multi skilled, flexible workforce and increase the status of tradespeople and technicians. This would be done by state-of-the-art training systems and the design of such training systems based on the concept of portability of skills across and within an industry. The union also rejects the concept of each firm making rational decisions to train or not to train.

Jones (1992) was also concerned about the abolition of the apprenticeship system in New Zealand. The New Zealand Council of Trade Unions (NZCTU), in a recent survey on apprenticeships, registered a deep concern about apprenticeship numbers. In 1974 there were 10000 apprentices whereas in 1993 there were only 3000 (Doyle, 1995; 12). There was also a deep concern over the level of industry funding, lack of coherence and the lack of any requirement on employers to train.

In New Zealand the skill requirement has been entrusted to the New Zealand Qualifications Authority (NZQA) to develop a comprehensive and coherent framework for nationally recognised qualifications in secondary schools and in post compulsory education and training. The NZQA Framework and the Industry Training Organizations (ITOs), under the banner of Skills New Zealand, is the link for industry that is supposed to address the problem of a training system that has not been delivering the quality or quantity of skills required in the 1990s. The government has placed its hopes of founding a new training culture on this voluntary system.

The whole system, according to the Doyle (1995), is limited in that there are far too many ITOs, and there is a high degree of fragmentation in terms of standards and of training. There are some exceptions notably the Engineers Union which has played a significant part in the Plastics and Engineering ITOs. The National Secretary of the Engineers Union believes that in a deregulated market a reliance on industry based training organizations is not satisfactory. He supports the West Germany concept where Government, Employers and Trade Unions negotiate a training curriculum. (Jones 1992: p3)

*Broader based job categories and industrial relations.*

If the unions are talking of increasing the skills of their members then broader based job categories are required. This according to Mathews's (1994, 1993 and 1989), has far-reaching consequences for work organization and for industrial relations (payment) systems. This new system of broad based categories, described as a skill formation ladder, will affect the least skilled worker to the highly trained technician. This system must not be confused with deskilling. Its components have career progression, multiskilling/groupskilling, training as part of the job and a comprehensive skills formation restructuring agreement. (For more information on this subject see Mathews (1989).)

*An employment contract*

The current literature on skills formation points to a new form of negotiations and highlights that instead of a centralised collective negotiation system, a decentralised order appears to be required. If we are to take Mathews's (1993) scenario of introducing skill into industrial relations then the hypothesis of Katz (1993) has some validity in that for enterprises to introduce a skills formation, as Mathews suggests, a degree of decentralization is supported. Katz (1993) found that the bargaining structure is becoming more decentralized in Sweden, Australia, West Germany, Italy, the United Kingdom and the United States. Katz (1993) found that instead of central office negotiating agreements, this was being carried out by the local officials and management. The writer believes that in New Zealand there needs to be a

mix between industry and sector level rather than each organisation relying on their own training and skills development as Katz (1993) and Mathews (1993) suggest.

### **1.7: Developing a model.**

The literature demonstrates that a number of key characteristics have emerged; 1) a formulated pay structure and an agreement that cements in the above and this can be either negotiated locally or on an industry wide basis; 2) job redesign with an emphasis on semi or autonomous work groups; 3) an organisation that has an orientation to improvement of product, employment and service; 4) a pluralistic framework where a joint regulation of the enterprise is envisaged; 5) a move towards a training and skill based training environment; 6) new management tasks. that would give workers a greater say in planning the day to day operations in the areas that they work in. The justification for these six characteristics is that the areas of concern are not just for the owner/customer relationship but also for the employment relationship in a quality regime, hence the orientation to improvement of all aspects of the process. For workplace reform to be successful an environment that includes all stakeholders is a necessity, in which each stakeholder must recognise their rights in the relationship. The question of participation is important in the debate on workplace reform and central to this question is the introduction of semi or autonomous work groups rather than versions of managerial control which are still prevalent. With the development of new technology, quality measurement, and team work, new skills need to be learnt and developed, therefore training and skills are going to take on a new dimension. A new method of payment is required that will enhance an innovative approach free from the constraints of a centralized pay structure. Finally, new management tasks that give workers a greater say in planning the day to day operations in the areas that they work in. This final characteristic may create problems with middle management who may see their authority and control being eroded.

### **1.8: Conclusion**

In this chapter the writer has reviewed something called workplace reform and identified three stages of development with various subsets within those stages. The Taylorist approach with the

rejection of the past and the debate on the labour process, highlight, the issues of managerial control and deskilling. The reason for this lengthy debate was that Taylor had left a legacy that touched upon most aspects of work such as, the removal of manual skills and organizational autonomy, and the establishment of managing as a role distinct from ownership. Piore and Sabel (1984) argue that the Western economic system has been in crisis since the 1970s, and out of this crisis a tension has arisen between two basic modes of production organization: mass production and craft production (flexible specialisation). In trying to determine the ideal type and reality the point is not that everything has changed or that nothing has changed, but that capitalism is inherently dynamic and fragmented in its make up. The argument so far has been about a rejection of the past and looking for new ways of working.

However it is recognised that something is going on in organizations that is different from the past and this includes **innovation** that has an organic approach rather than being mechanistic. Unfortunately most organization are still applying the mechanistic approach to innovation and not learning from past mistakes. Studies on **participation** are divided on the extent of real participative decision making in the workplace. However workplaces that have a strong union presence are more likely to have efficient employee participative/employee involvement programmes than non-union establishments that operate similar programmes. **Socio-technical systems** had its origins in the 1950s with the Tavistock studies and in the 1960s in Norway with the development of Industrial Democracy and the team concept through changes in work organization. The Volvo car company in Sweden introduced the semi autonomous work groups but because of commercial restraints reverted to a traditional style of assembling cars. **Quality** of product and service has its critics and supporters. The central component of quality is the concept of TQM and its critics believe that TQM is a unitary based concept with little input from the union. On the other hand its supporters believe that the rank and file employees do have more say than before, so TQM meets at least part of their aspiration for more participation. Different **Human Resource Management** strategies apply to each firm depending on the type of operation, management and staff relations, pressure of the business to gain new markets or retain what they already have. There is a degree of pessimism about the

prospects for the HRM model because very few firms are developing sophisticated HRM policies and there is still an entrenched view held by management of retaining a managerial prerogative. **Training and Skills** have changed. The traditional Fordist notion of narrow job definitions and deskilling in many industries and craft unions protecting their skilled members, either through apprenticeship schemes or demarcation issues, is in direct contrast with the Post Fordist approach to skills formation. There needs to be a broader base of job categories, career progression, multi skilling and training as part of the job. The reasons for the change in emphasis on skill development have been product market shifts, technological change, and new forms of work organization.

If *participation* is a misused concept in the workplace reform literature then where to from here? There is a disturbing feature in this debate that no *ideal type* of workplace reform is emerging. Osterman (1994), believes more understanding is required about what is actually happening (p186). Katz (1993) is of the opinion that decentralised or local bargaining is the key to informal interactions between management and labour (p20). Applebaum and Batt (1994) believe that for a diffused transformation of American workplaces fundamental changes in labour and capital markets may be required (p13). According to Ryan (1995), there is little evidence that the constellation of changes thought to be involved in workplace reform has been pervasive in New Zealand (p15). Enderwick (1994), suggests there is a real danger that New Zealand companies could embark on the reform path at the same time as downsizing or cost cutting. This would be unfortunate as it would do little to establish the trust so necessary to effective reform (p33).

Even though the outlook does not appear to be uniform throughout the world, there is some form of recognition that changes are happening, and these changes are acknowledging that no longer can employment relations be solely a managerial prerogative. However control and expectations of commitment by employers still has its roots in a unitarist approach in smaller industries, whereas the larger industries/companies do appear to be viewing unions as significant players in

advising and assisting their members and the industries/companies in their path of long term growth.

In this chapter the writer has reviewed something called 'workplace reform', by firstly examining the importance of Taylor's 'Scientific Management'. Then the writer has reviewed the concept called 'Flexible Specialisation'. This was followed by a review on whether there is an 'ideal type' and what was the 'reality' in the modern workplace. Next there was a review of 'Fordism and Post-Fordism' and the requisite elements of workplace reform that distinguished it from Taylor's 'Scientific Management'. These elements were, Innovation, Participation, Socio-technical systems, Quality, Human Resource Management and finally, Training and Skills. From this review a model of workplace reform was constructed with a set of defining characteristics.

In the next chapter the writer will firstly deal with; a). the difficulties that the export meat processing is encountering with declining sheep numbers b), coming to terms with a market oriented environment, c), the history of industrial relations in this industry. The second part is a brief history of Weddel New Zealand Limited and their Tomoana plant at Hastings and an account of the workplace initiatives that the plant introduced up to the time of closure.

## Chapter Two: The Meat Industry and Weddel Tomoana.

"Meat processing companies battling against each other must get their act together as a production sector if they do not want politicians and other concerned parties to impose a solution for them." (David Frith, chairperson of the New Zealand Meat Board)

"The Meat Board was reluctant to act, because the competition among freezing companies forced them to pay farmers unrealistic high stock prices to keep plants going. Efficiencies won when Tomoana meat workers took 20 per cent pay cuts had gone into farmers pockets instead of making the company more viable." (Ken Douglas, President of New Zealand Council of Trade Unions)

This chapter is in two parts. The first part deals with; a), difficulties that the export meat processing is encountering with declining sheep numbers b), coming to terms with a market oriented environment, c), the history of industrial relations in this industry. The second part is a brief history of Weddel New Zealand Limited and their Tomoana plant at Hastings and an account of the workplace initiatives that the plant introduced up to the time of closure.

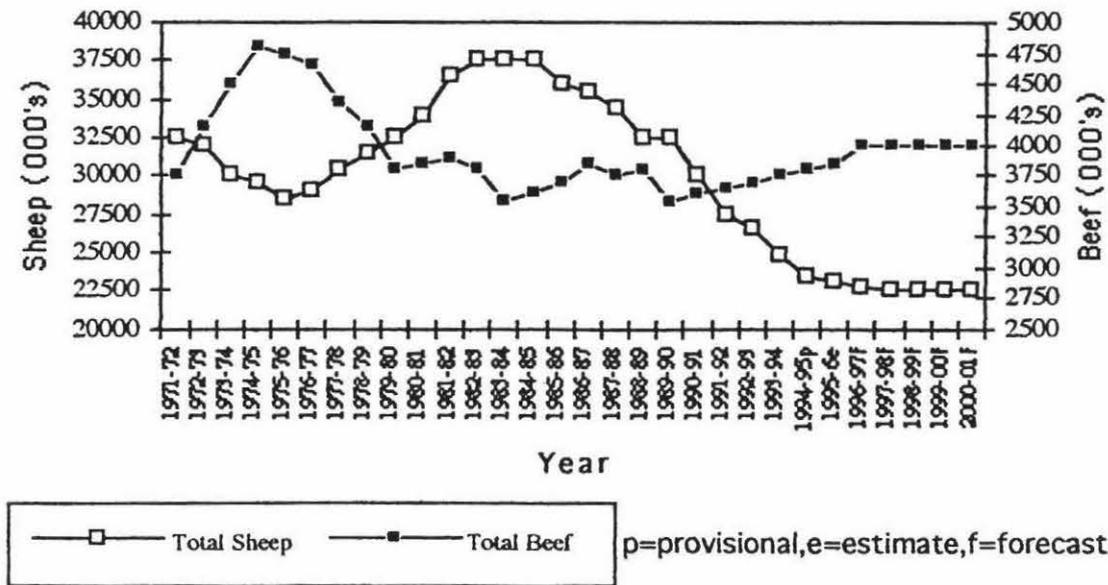
### 2.1 *Difficulties the Export Meat Processing is Encountering*

The meat processing industry has been an important element of the New Zealand economy over the past century. From the time the *Dunedin* left New Zealand for the United Kingdom in 1882 with the first consignment of export frozen mutton, an industry has developed that now contributes about \$3 billion to the New Zealand economy, over 16% of total exports.

Since the early 1970s, when the UK indicated its commitment to join the European Economic Community ("EEC"), currently known as the European Union ("EU"), the meat processing industry in New Zealand has been beset with economic uncertainty and reorganization. Perry et al (1995) believe that the balance of power has shifted from the producer to the buyers of processed meat. With the UK joining the EEC, and its obligation to limit imports of New Zealand meat, new markets had to be found. A significant market was found in the USA for the export of beef, however this market is always under threat with trade restrictions. With the recent settlement of GATT these problems over access will possibly disappear.

For the producers to gain access in the present trading environment they have had to develop new methods of marketing their product. Traditionally, the New Zealand meat industry has exported most meat in frozen carcass form. While a substantial part of the trade continues to be commodity trade, the proportion of value added products has increased. It is estimated that about two thirds of New Zealand lamb sold to continental Europe is used in the hotel and restaurant trade, where quality and consistency are essential and where price premiums for chilled meat are available. In the UK, supermarkets, rather than the traditional wholesalers, are influencing the market. They are demanding that the product be fully processed by their suppliers. This has required meat producers in NZ to radically change the way in which they operate their plants. According to Perry (1995), they must know the cost of supplying an individual order, the value of the remaining meat and whether they will be able to sell it. They must also learn to work to specifications set by individual buyers rather than working to a narrow range of standard cuts that never change.

The relationship between the processor and the farmer has changed as well. Stock numbers rose significantly in the late 1970s and early 1980's. As this thesis is about a North Island company the writer will use North Island figures. As **Figure 2.1** shows, sheep numbers in the North Island rose significantly in the late 1970's and early 1980's, peaking at 37.5 million in 1983. A significant factor in this increase was, government funded financial incentives to farmers including the payment of supplementary minimum prices. Shortly after reaching the peak, sheep numbers began a steep decline to 23 million in 1994, a reduction of 38% from 1983. Factors that contributed to this decline were the removal of the payment of a supplementary minimum price and other government subsidies paid out to farmers.



### North Island Sheep and Beef Numbers 1971 to 2000

**Figure 2.1**

Source: NZ Meat and Wool Board's Economic Service  
Based on Statistics New Zealand Data

Other factors were the world's expanding ability to produce meat beyond its ability to pay for it and the unstable markets that New Zealand processors were involved in. The forecast is for a further small decline in sheep numbers of about 2% to the year 2000. (Commerce Commission 1995). By contrast to the trend for sheep, the number of beef cattle in the North Island increased from 3.6 million in 1983 to 3.8 million in 1994, a rise of 6%. A further increase of 6% by the year 2000 is forecast.

The industry has been affected by two significant pieces of legislation. One is the European Economic Community (EEC) Hygiene Regulations and the other is the Meat Amendment Act 1980. The EEC Hygiene Regulations had the effect of meat companies having to make costly technological and structural alterations to their plants. These changes also necessitated a

increase in personnel on the killing chains. The Meat Amendment Act 1980 dramatically increased the number of processing plants in the existing plants' catchments. From 1934 until the passing of the above Act the export meat processing industry has been heavily influenced by the operation of the Meat Industry Authority. The consent of the Authority was required before a new plant could be established. Gaining consent required applicants to show "economic need", that is, that a proposed new plant would not harm the operation of existing plants. The effects of this provision, according to the Commerce Commission (1995: 15), were that very few new plants were opened between 1934 and 1980, even though the industry's production grew three and a half fold in that time. A Chief Executive Officer of a large meat processing plant appearing before the conference stated that regulation had led to a cost-plus mentality in the industry and an environment of "over-built" plants. (Commerce Commission, 1995: 15)

Curtis (1993) is more critical of the way the meat processing industry has been managed. According to Curtis (1993), the processing industry has traditionally maintained capacity to accommodate a seasonal peak. That left plants under utilised for most of the year. Processors, according to Curtis (1993), once had little choice but to accept this as government licensing of the processing industry protecting the seasonal production cycle preferred by farmers.

The 1980 Meat Amendment Act abandoned the need for licensing which virtually allowed free access to the meat industry. Even though the bigger plants expanded their capacity, a smaller style of plant emerged and Perry (1995) believe that these later operators claimed around a third of total processing activity. During the 1980s the technology that had been installed in the large plants were not achieving the productivity gains looked for (Addison and Hill, 1994). Therefore the technology of this period was mainly addressing the efficiency of the killing chain. Further processing of the meat into individual cuts still remains a largely manual operation with, at least until recently, few opportunities for mechanisation.

With the decrease in sheep numbers, larger plants struggling to maintain a steady flow of production and the new entrants achieving significant market share, it is no wonder that the

industry has faced serious financial problems. Two reports that emerged in 1994 clearly demonstrated the extent of the problems. The first was a Boston Consulting Group report which showed that for New Zealand as a whole, meat processors earned a very small after tax return on equity after extraordinary items in 1989 and 1990, a substantial loss in 1991, a positive return in 1992, substantial losses in 1993 and substantial projected losses in 1994. The document stated that the industry's earnings have been insufficient to cover interest in three of the last four years and that the book value of the owners' equity would be consumed within four years at current loss levels. A report on the meat industry in July 1994, prepared by Southpac Corporation and commissioned by the National Bank appears to come up with similar findings. Even though the report is confidential, a number of tables were issued to the Commerce Commission in 1995 and those tables showed that the earnings of the industry were shown to have been insufficient to cover interest in two of the five years from 1989 to 1993. A shortfall in interest cover was expected in 1994. From the analysis of North Island companies the Commission concluded that the level of debt to equity was highly unsatisfactory.

Having laid out the meat industry's structural problems, the focus now shifts to the inside of a traditional freezing works and then compare this with one response to the industry and the market changes that are taking place. As can be seen, from **Table 2:1**, with the market oriented processing company there is a higher predominance of tasks and it is more continuous in its flow of work arrangements. It is more client friendly, as is mentioned above, and the client base is more individual than the traditional base of standardised products. Perry (1995) is correct when he emphasises that this is only one model in which the industry operates. An example of an exception to this model would be that a small processing operation which is specific to one market, would probably not get involved in byproducts.

**Table 2.1: Comparison Between a Meat Freezing Company and a Market Oriented Meat Processing Company**

Meat Freezing	Marketing-Oriented Meat Processing
<b>1. Work activities</b>	
<p>Stock yarding livestock Washing livestock</p> <p>Slaughter of livestock Dressing of carcasses Accelerated ageing of carcasses</p> <p>Standardised packaging of dressed carcasses Frozen storage of product Containerization of carcasses Loaded on rail (to portside) Processing of all byproducts: - processing edible offals - processing inedible oils - rendering fat and inedible oils - processing runners and caps - processing skins, pelts and slipe wool.</p>	<p>Stock yarding livestock Washing livestock Assessment of livestock Slaughter of livestock Dressing of carcasses Chilling of dressed carcasses Further processing of carcasses: - production to customer specification - other production</p> <p>Customer specified packaging of meat products</p> <p>Containerization of meat products Loaded in rail or road (to portside or airport) Processing of selected byproducts: - processing some edible offal - processing some inedible offal - rendering fat and inedible offals - primary or full processing and caps - primary or full processing skins, pelts and slipe wool.</p>
<b>2. Organization of Production</b>	
<p>Uneven economies of integration: - restricted processing of meat - extensive processing of byproducts</p> <p>Uneven economies of scale: - under-utilization of capacity - seasonal production - day work - statutory constraints</p>	<p>Targeted economies of interaction: - extensive processing of meat - selective processing of byproducts</p> <p>Targeted economies of scale: - enhanced utilization of capacity - year round production - shift work - deregulation</p>
<b>3. Location in value chain</b>	
<p>Dominance of spot markets between freezing works and farmers</p> <p>Mix of spot, contracted and hierarchical (internal) markets between freezing works and meat exporters</p> <p>Mix of spot, contracted and hierarchical markets between exporters and foreign wholesalers and butchers</p>	<p>Mix of spot and contracted markets between meat processors and farmers</p> <p>Growing significance of contracted markets</p> <p>Dominance of hierarchical (internal) markets between meat processor and meat exporters</p> <p>Mix of spot and contracted markets between exports and foreign supermarkets, restaurants and other institutions</p> <p>Growing significance of contracted markets</p>

Source: Perry (1995).

However in the large traditional works there is a cross-mix in that these works have, since the 1970s, introduced technological and structural alteration to comply with ECC regulations, new occupations have arisen and the introduction of a value added section to further process their product. These additional changes do have the ingredients of the new marketing essentials. But to get to that stage the old features, such as the traditional chain system, may still be in operation with an emphasis on quantity and not quality. There is a gradual move towards an inverted chain system which is more efficient and uses less personnel. But in these works the conventional chains are still retained and are only put into use during the peak of the season. **Table 2.2** summarises the elements of work structure within both type of works.

**Table 2.2 Comparing the elements of work structure in a freezing works and a market orientated meat processing plant**

Elements of work structure in a freezing works	Elements of work structure in a market orientated meat processing plant
<b>The Chain</b>	<b>Processing department</b>
<ul style="list-style-type: none"> <li>- Slaughter board and killing chain central component of the traditional works</li> <li>- animals dressed into a carcass ready for freezing and shipment</li> <li>- thirty to forty discrete steps</li> <li>- no pacing or planning their work</li> </ul>	<ul style="list-style-type: none"> <li>- The chain still exists but is not central to the operation</li> <li>- animal dressed to the point that it can be processed by other departments</li> </ul>
<b>Time motion management:</b>	<b>Quality over quantity</b>
<ul style="list-style-type: none"> <li>- Speed of chain was industrially engineered</li> <li>- very little flexibility given with weight variation of carcasses.eg 2 extra seconds allowed for 34 kilogram sheep against a 28 kilogram lamb</li> </ul>	<ul style="list-style-type: none"> <li>- speed of chain and processing departments determined by team/leader</li> <li>-greater flexibility</li> </ul>
<b>Job Roles</b>	<b>Team Work</b>

<ul style="list-style-type: none"> <li>- The chain person had limited tasks to perform, usually two cuts or action.</li> <li>- Informal rotation may operate to reduce boredom rather than skill enhancement. In most cases the same job is performed from season to season.</li> <li>- "A" grade butcher could work on any part of chain because of seasonal experience.</li> <li>- Workers not on chain classed as labourers and received less pay.</li> </ul>	<ul style="list-style-type: none"> <li>- Cooperation between workers arising out of widening product range and changing job specifications</li> <li>- Gaining acceptance of broader responsibilities amongst lower order workers</li> <li>- Engender commitment to company</li> </ul>
<p><b>Seasonality</b></p>	<p><b>Continuous production</b></p>
<ul style="list-style-type: none"> <li>- Stock sent to the works mainly when grass dried up and in peak condition</li> <li>- Only operating at full capacity for part of the year</li> <li>- Gradual reduction of workers as stock numbers reduced</li> <li>- Some works actually closed for part of the year</li> </ul>	<ul style="list-style-type: none"> <li>- Shifts from servicing livestock producers to satisfying requirements of buyers</li> <li>- Selective stock acquisition</li> <li>- Flattened season desired reducing pronounced peaks that farmers in the past have determined</li> </ul>
<p><b>Pay system</b></p>	<p><b>Skill-based remuneration:</b></p>
<ul style="list-style-type: none"> <li>- Workers paid bonus to make the tally, usually a third more in their take-home pay.</li> <li>- Linked to tasks</li> </ul>	<ul style="list-style-type: none"> <li>- Payment system that encourages multi-skilling team work and continuous improvement</li> <li>- removal of incentives encourages throughput at the cost of quality</li> <li>- links pay to levels of skill attained and used</li> </ul>
<p><b>Seniority:</b></p>	<p><b>Employment Commitments</b></p>
<ul style="list-style-type: none"> <li>- Workforce structured on length of service, ie number of seasons</li> <li>- The most senior were the first hired and the last to leave at the end of the season</li> <li>- Employed in that department rather than across the plant. Could only work in another department if all the senior persons in that other department were employed</li> </ul>	<ul style="list-style-type: none"> <li>- Seniority system still operates</li> <li>- Guaranteed employment of all staff</li> <li>- Staff deployed on plant rather than department basis</li> </ul>
<p><b>Supervision:</b></p>	<p><b>Management Roles:</b></p>
<ul style="list-style-type: none"> <li>- Directive. Keep chain operating and maintain tally</li> <li>- Workers made their job easier because they wanted to retain their bonus</li> <li>- Difficulties. New pay rates at beginning of season and at the end of the season when bonuses were not a priority</li> <li>- Boredom amongst workers led to numerous problems. Supervisors geared to respond to this. - Some studies have shown that they did have the ability to take charge. (Eichbaum, 1980; Inkson, 1979)</li> </ul>	<ul style="list-style-type: none"> <li>- Role and priorities change</li> <li>- Supervisors utilize greater skills in team building, joint decision making, team meetings and shift reviews with all staff</li> <li>- Supervision no longer seen as a disciplinary measure</li> <li>- Management above supervisor level assumes functional responsibility</li> <li>- Product diversity results in greater demands placed on production and marketing divisions</li> </ul>

<b>Industrial Relations</b>	<b>Employee Relations:</b>
<ul style="list-style-type: none"> <li>- Butchers lost their skill but gained collective bargaining power</li> <li>- During the peak season in a strong position to bid up wages</li> <li>- During the shoulder part of the season power was flowed back to the workers.</li> <li>- Lack of long term relations</li> </ul>	<ul style="list-style-type: none"> <li>- Seniority system still operates</li> <li>- Guaranteed employment of all staff</li> <li>- Staff deployed on plant rather than department basis</li> </ul>
<b>Information Systems:</b>	<b>Quality inspection:</b>
<ul style="list-style-type: none"> <li>- Managed through inspection and correction</li> <li>- Use of trimmers</li> <li>- MAF inspectors had much of the responsibility for quality inspection.</li> <li>- Didn't encourage productions to be quality conscious</li> </ul>	<ul style="list-style-type: none"> <li>- variability of markets and perishability of processed meats requires new information systems</li> <li>- more sophisticated management systems</li> <li>- knowledge of product and potential markets</li> <li>- ascertain product costs and priorities of improvement</li> <li>- sharing of performance information to create an interest in improving standards of quality and efficiency</li> </ul>

Source: Perry (1995).

As can be seen from this section, the industry is not in a healthy state. There doesn't appear to be a coordinated industry approach, rather a group of individual companies looking over each other's shoulder to see what the other is doing. There is no one right way but at least by comparing the marketing approach and the work elements within both types of models some appreciation can be gleaned that there is change evolving in the meat processing industry. The rest of the chapter is about industrial relation within the meat processing industry, a brief history of Weddel New Zealand Ltd and Tomoana, and the approach Weddel and Tomoana took to improve its market share in this competitive environment .

## **2.2 Industrial Relations in the Meat Processing Industry**

### **2.2.1 Meat Workers Union**

In 1973 there were four freezing workers unions in New Zealand with a total membership of 26,300. In 1994 the three North Island unions amalgamated to become one union now known as the Meatworkers of Aotearoa. The current union membership for this union is 3506 (Harbridge and Hince, 1994) peaking at 8000<sup>1</sup> during the height of the killing season.

<sup>1</sup> Confirmed by the Meat Workers of Aotearoa on 1 November 1995

All of the above unions, up until 1992, were parties to the New Zealand Meat Processors etc Award. This was abandoned after the introduction of the Employment Contracts Act 1991. In 1992 Weddel and the Auckland and Tomoana Workers Union negotiated a core collective contract covering basic terms and conditions common to all plants and agreed that pay and productivity issues would be negotiated at individual plants to cover their particular needs.

### **2.2.2 Other unions in the Meat Industry**

The other occupational groups who make up the auxiliary functions in this industry were either covered by national awards or by freezing industry collective agreements. These agreements have lapsed and contracts are either negotiated with individual companies or as multi-plant agreements.

### **2.2.3 Employers in the Meat Industry**

The Meat Industry Employers' Association (MIEA) was established 1971 to handle industrial matters. The other matters pertaining to the industry were left to their respective organizations. However in 1974 one association was formed to handle all matters pertaining to the companies. This organization was called the New Zealand Freezing Companies' Association Inc. (NZFCA) The MIEA became a division of the NZFCA to handle industrial relations matters. Its role in the 1990s has been greatly reduced because the introduction of the ECA has now placed the responsibility of industrial relations back to the individual meat processing companies.

### **2.2.4 Conflict In The Meat Processing Industry**

This industry's record of industrial relations has attracted its fair share of attention from various quarters of society such as, newspapers, politicians, the general public, commissions of enquiries, and academics. Inkson (1979) believes that the;

human and industrial relations problems of the industry have been viewed by managers, Government and the public alike as being endemic and unavoidable caused by factors beyond managerial control

and therefore not solvable by managerial action. This position is not tenable; that while many factors about the industry do predispose it to conflict, these problems could often be avoided or overcome by appropriate action by management (p84).

The Meat Industry Commission Report (1974) and Turkington (1976) take a more balanced view of the industry than the media, politicians, and the general public. The Meat Industry Commission Report (1974) concluded that one of the contributing causes to the unrest in the industry was the seasonal nature of the industry and the casual employment relationship of employee and employer (p110). This form of relationship contributed to the conflict because there was no lasting commitment and loyalty from either side. There appeared to be very little in the way of substantive recommendations in the Commission's report to alleviating the conflict within industry other than an improved disputes procedure and changes to the structure of the freezing workers union (Report of the Meat Industry Commission 1974, p 111). The freezing worker unions submitted that nationalisation of the industry with worker and farmer participation was one way to alleviate conflict within the industry. But this was rejected by the commission and the industry.

Turkington's (1976) seminal work on conflict in the meat industry saw little merit in disputes procedure recommendation, as this is seen as a form of dispute regulation rather than solving the conditions that produced the conflict in the first place. In fact the decisions and the procedures themselves may, as in the past, even become sources of conflict. (p138). Turkington, (1976) saw little relationship between union coverage, the personalities and attitudes of senior union officials and organizational structure and facilities on the one hand and regional stoppages levels on the other. On the question of ownership, Turkington (1976) saw some merit in this proposal as it may lead to greater participation and involvement of workers in the affairs of the industry. However this needed to be linked to significant changes in the nature of the work and the production process and unless the operation of the industry can be changed, a substitution of one form of ownership for another may have little effect. (p137).

Turkington's (1976) work evaluated 20 possible influences on conflict and the following factors appeared as the important influences on industrial conflict; the nature of the work and of the worker; the nature of the production process and of the product and the formation of work groups; hygiene regulations and heat; the physical environment of plants; payment systems and earning relativities; size of the works; the location of plants; overseas ownership of freezing companies. Factors of some importance in particular situations included the complexity and ambiguity of the award, personality differences and changes in personnel, inadequate communications and the quality of foremen. Other factors of limited importance were the predominance of male labour in the industry and private ownership. The ones of little or no importance included migrant workers in company hostels, workers isolated from communities, racial friction and union coverage. The seasonal nature of the work was widely regarded as an important influence in the frequency rate of stoppage activity in the meat processing industry. However the works' surge indices <sup>2</sup> and the works' stoppage levels show a negative level (p135-6).

Therefore Turkington's (1976) analysis demonstrated that it was very difficult to change the conflict levels in this industry. It was suggested that changes may need to be made in the production process, work methods, payment systems, the structure of work groups, plant size and location. (p138) But Turkington was wary that management may have found that the costs in implementing these changes may not have been justified. However in 1976 there was this recognition that newly built specialist plants had the ability to modify the amount of conflict by establishing innovative means such as all-year-around employment, better training, closer union management relationships and employing workers who had little experience in the industry and so habitual attitudes towards the industry would be less.

---

<sup>2</sup> The surge index is the difference between peak and trough labour forces expressed as a percentage of the peak labour force.

Unfortunately, Turkington's (1976) work was the last piece of academic writing specifically relating to conflict within the meat processing industry. However the *Chronicles* from the *New Zealand Journal of Industrial Relations* from 1980 to 1993 demonstrated that conflict was still prevalent within the industry. The conflict through the 1980s was still of a distributive nature. Examples of this were the six and a half week strike at Gear Meat Company at Petone. This stoppage was centred around payments to cutting room workers and labourers. There was the "4 for 5" campaign initiated by the meat workers' union. This campaign was about a claim for a four-day working week for five days pay in return for union acceptance of new technology and increased production. Freezing company tradesmen went on strike over relativity payments with freezing workers.

However during the early 1980s conflict started to take on a new meaning with the rationalisation of the industry because of deregulation and the declining stock numbers. The closure of the Southdown works in Auckland in 1981, followed by Patea shortly after that. These closures created concerns of job security among freezing workers. A number of lengthy strikes followed as freezing workers wanted to improve their redundancy agreements. These closures continued with the giant Whakatu works in 1987 and a number of the Alliance plants in the South Island followed.

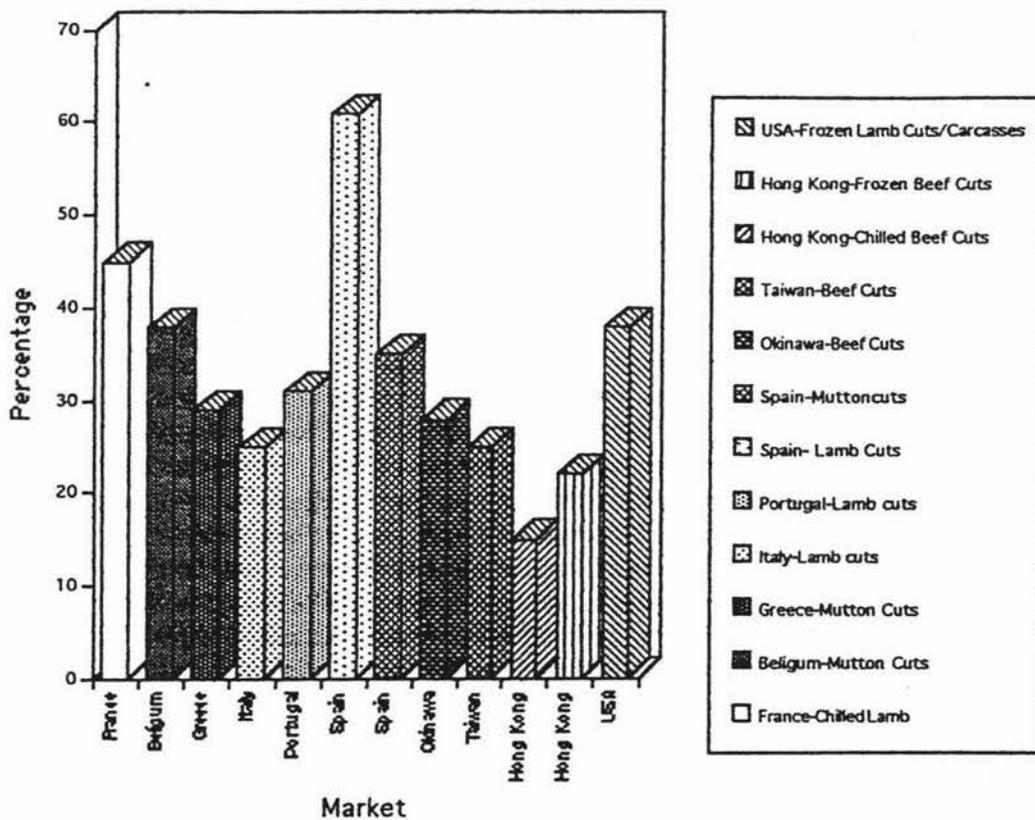
## **2.3 *Weddel and Tomoana.***

### **2.3.1 *Weddel: a brief history***

The British company W.Weddel and Company, which was owned by the Vesty family commenced business in New Zealand in 1911. This followed an earlier venture by the Vesty family interests in the purchase of the freezing works at Paki Paki (near Hastings) in 1905. The company W. Weddel and Company (NZ) Ltd was registered in 1935. In 1986 Weddel Crown Corporation Ltd was formed as a joint venture company owned by W Weddel Co. Ltd and Crown Corporation Ltd to operate 5 North Island meat processing plants. In 1988, the interests of Crown Corporation were acquired by Weddel, which became full owner of the meat

processing plants. The company's name was changed to Weddel NZ Ltd in 1990. Weddel is a member of the Vesty Group and is ultimately owned by Western United Co Ltd.

Prior to its closure, Weddel's share of the North Island sheep throughput was 23% and its share of the beef throughput was 12%. They operated 7 chains for killing lamb and 6 for killing beef. To supply these chains Weddel sourced livestock from throughout the North Island. For instance, whilst Weddel did not process sheep at its Whangarei plant, its procurement agents were active in Northland, sourcing sheep for processing at its Aotearoa (Cambridge) plant. Weddel had extensive markets through the world and **Figure 2.2** shows Weddel NZ's share of some of the significant markets.



Weddel NZ Market Share

**Figure 2.2**

Source: Weddels, The Way Ahead. Newsletter for TCS, August 1994.

In August 1994, following trading losses experienced by Weddel in 1993 and 1994, joint Receivers and Managers were appointed by the ANZ Banking Group (NZ) Ltd as security

representative, in terms of a debenture dated 3 January 1992. The short term bank funding and overdrafts of Weddel were secured by the guarantee of Union International Plc which is a UK company in the Vesty Group.

### **2.3.2 Tomoana a brief history**

Tomoana, established by William Nelson on the current site in 1883, began freezing meat for export in 1884 and in March of that year the first shipment of 9000 sheep left Napier for Britain. By the end of the season 41000 sheep were exported. In 1921 Vesty bought Tomoana from Nelson Brothers and operated the plant as part of a new company called Nelsons (NZ) Ltd until it merged with Weddel in 1987. Tomoana was the largest of the five processing plants operated by Weddel, providing around a third of the company's killing capacity for beef and half of that for lamb and sheep (Perry 1995). At the start of the 1980's Tomoana was killing around three million sheep and lamb per year. But in recent years this production has dropped to below two million due mainly to the decline in sheep numbers per year. Annual production of beef has fallen from around 130,000 head to less than 100,000 head in recent years. The decline in sheep numbers to be processed at Tomoana can be associated with the decline shown in **Figure 2.1**, whereas with beef the decline was mainly due to new processing facilities in Tomoana's traditional catchment area. To improve the declining market share Tomoana attempted various innovations and **Table 2.3** shows the chronology of those innovations.

### **2.4 Total Customer Service**

As can be seen from **Table 2.3**, up until 1990 Tomoana was trying to maintain market share and providing a limited product over and above the traditional frozen sheep carcase. However in 1990 Weddel's Corporate office embarked on probably their most ambitious project, not only to try and maintain their market share but with the ultimate goal of trying to improve the levels of quality performance and reliability. This was because the company was having to cope with large claims and returned orders. These claims amounted to 20% of production and examples of these included incorrect weight of product and wrong products in labelled boxes. In a move to remedy the above, consultants recommended a TQM programme and upon receiving information from other establishments, and after a survey of their major clients by the marketing

arm of Weddells, it was decided to embark on a customer oriented approach. This approach was entitled, Total Customer Service. (TCS)

**Table 2.3: Chronology of workplace initiatives at Tomoana**

1970's	Export boned beef to North America and further processing of sheep meat.
1983	90% of sheep meat left in frozen carcasses form. The remainder went in rough frozen cuts for processed food.
1985	Team briefing introduced in an attempt to improve communication and working relations. Ceased in 1990.
1987	Survey sought to identify all work practices that constrained managers ability to organise work. Still an image of labour practice being a major source of inefficiency.
1989	Two new inverted chains installed with a capacity of 4200 sheep a day. (around 9 sheep per minute) Against a conventional chain of 3480 a day. Instead of having around 50 workers on a conventional chain, the inverted chain only required around 38.
1990	Tomoana became the first meat processing plant to introduce a TQM inspired reform strategy.
1993	Frozen sheep carcasses accounted for around one third of total production and half the balance processed into individual final cuts and exported.

Source: Perry (1995) and Commerce Commission (1995)

The move to Total Customer Service had a two pronged approach. First, there was the internal and external relationship which is one of the components of Total Quality Management. The question in the processing industry is, how do you retain quality when a product is moving at a constant speed and there is little time to correct substandard work? (Perry 1995). As mentioned earlier in the literature the internal customer relationship is so important. The second point is that if this type of philosophy is to be introduced successfully a number of fundamental needs have to be addressed. In Perry's (1995) report six areas at Tomoana were identified that needed addressing. They were:

- Changing culture
- Changing management

- Changing industrial relations
- Consultation and information sharing
- Training and awareness raising
- Project teams

#### **2.4.1 Changing Culture**

As noted above, this plant had a mixture of tradition and market oriented features but there was still a strong emphasis on the former. Therefore to move to the latter there needed to be a shared interest in the company's performance.

#### **2.4.2 Changing Management**

As was pointed out earlier, management's job in a traditional meat plant was more directive and focussed on maintaining the daily processing tally. To move to an inclusive and delegating role, with more responsibility for new customers specifications and job scheduling, can be very demanding in a seasonal industry when most of the staff are there only during the peak period.

#### **2.4.3 Changing industrial relations**

According to Perry (1995), inherited industrial relations go to the heart of the traditional work culture. These issues will be covered in greater depth in Part Two. However it is pertinent to point out the main issues. These are, a) Incentives to encourage production at the neglect of quality, b) Seniority and pay differential barriers to the development of skills and the encouragement to become more cooperative and team based. This was done in a series of steps. The Total Customer Service initiative was announced to staff and employee representatives in late 1990. To ease union concerns of Total Quality Management and to obtain their support a series of plant and corporate-level consultative forums were announced. This was to give the union a chance to influence TCS's development at all levels. The second was to keep TCS separate from industrial negotiations. The company wanted TCS to be a company wide initiative and to have plant by plant agreements to highlight their specific needs. The union supported this move.

#### **2.4.4 Consultation and information sharing**

This was a major step for any organization especially within the meat industry. Once the parameters were set, the plant manager arranged a series of meetings to support the company's commitment to TCS. Focussed groups were set up to identify barriers to customer service. Perry (1995) believes that even though it was management driven it was a major departure from past practices, where very little participation was attempted at these levels. The workforce at Tomoana was put through these sessions at a rate of 25 workers at a time. This also occurred at the company's other plants. Out of these sessions a company wide mission statement was produced to steer the reform process. (See Weddel New Zealand Mission Statement)

#### **Weddel New Zealand Mission Statement**

#### **WHAT IS THE WAY AHEAD?**

#### **Total Customer Service**

We will develop total customer service through training, communication and teamwork.

We will build a better future for our people, farmers and customers through continuous improvement and market led strategies.

Our aim is leadership in the meat industry through product quality and effective utilisation of our New Zealand and international Weddel network.

#### **OUR VALUES ARE:**

#### **Communication**

Ensuring clear, timely and accurate communication up, down and across the company thus encouraging participation and responsibility for quality of work at all levels.

#### **Teamwork and Cooperation**

Building trust and support through the company which enables everyone to meet their goals.

#### **Training**

Maximising people's personal effectiveness through training and development for their current and future job opportunities.

#### **Continuous Improvement**

Being continually innovative in seeking improvements and solving problems and help achieve all our goals.

**Source: Total Customer Service Handbook 1992**

In order to coordinate this mission statement with Total Customer Service, a network of forums was established in each plant and the corporate office oversaw the whole operation. At Tomoana, as well as at the other individual plants, the coordinating body that was responsible for Total Customer Service's implementation was the Workplace Consultative Steering Team. The Workplace Consultative Steering Team at Tomoana had 11 members brought in from the main departments on the plant. All of the positions were either elected by departments, appointed by the Manager of Workplace Development, or because of the position that the appointee held. They met twice a month during working hours. During the early days of Total Customer Service, the WCST became overwhelmed with the work that they were doing and it was decided to split the Workplace Consultative Steering Team into 9 sub committees with Workplace Consultative Steering Team members as coordinators. See **Table 2.4**

There was an extremely large amount of information distribution, with three publications in particular. One was "the Way Ahead" which originally was distributed to the home addresses of all workers because of the seasonal nature of the industry. It has been described as the propaganda wing of TCS. Its purpose was to inform people of the importance attached to the reform initiatives, project team developments and other initiatives at the remaining 4 plants. There was also a weekly news bulletin and a daily news sheets, both covering the business of the various TCS committees.

#### **2.4.5 Training and Awareness Raising**

Initially Training was something to which everyone was exposed. Senior managers (65) were enrolled in a TQM course administered from Britain. Part-time trainers (4) were appointed from the workforce to present a course to the whole workforce on the introduction of TCS. This course lasted from September 1992 through to May 1993. It has been described as an awareness raising exercise by the Plant Manager of the Tomoana plant. The company saw it as a way of exposing the workers to the philosophy of TQM and the building of trust and commitment that is so important with TQM. At these sessions workers were encouraged to be critical of the

company and many suggestions were relayed to the appropriate quarters. This whole area will be discussed in part 2 of the study.

#### **2.4.6 Project teams**

These were established to solve specific problems that had been identified throughout the works. There were 3 ways in which project teams were introduced: The Workplace Consultative Steering Team identified suitable projects, Total Customer Service training sessions and Corrective Action procedures, commonly known as "pulling a purple."<sup>3</sup> These teams were seen as another way of introducing consultation and changing management style. Workers were discussing problems with senior managers which was unheard of in the past. There was the initial enthusiasm when over 50 teams were established but at the time of closure there were around 5 left. Some of the reasons given for the reduction in teams were: the cost of implementation to resolve the problems, some of the projects were too large and frustration crept in as participants could see no end to the project that they were working on. Immediately prior to the plant closure there was a general lack of enthusiasm about project teams. For a more comprehensive overview of the implementation of Total Customer Service see **Table 3.4**

### **2.5 In addition to Total Customer Service**

As the implementation of Total Customer Service proceeded additional measures were introduced; International Standards Organization Certification, Safety Hazard Teams and Towards 2000.

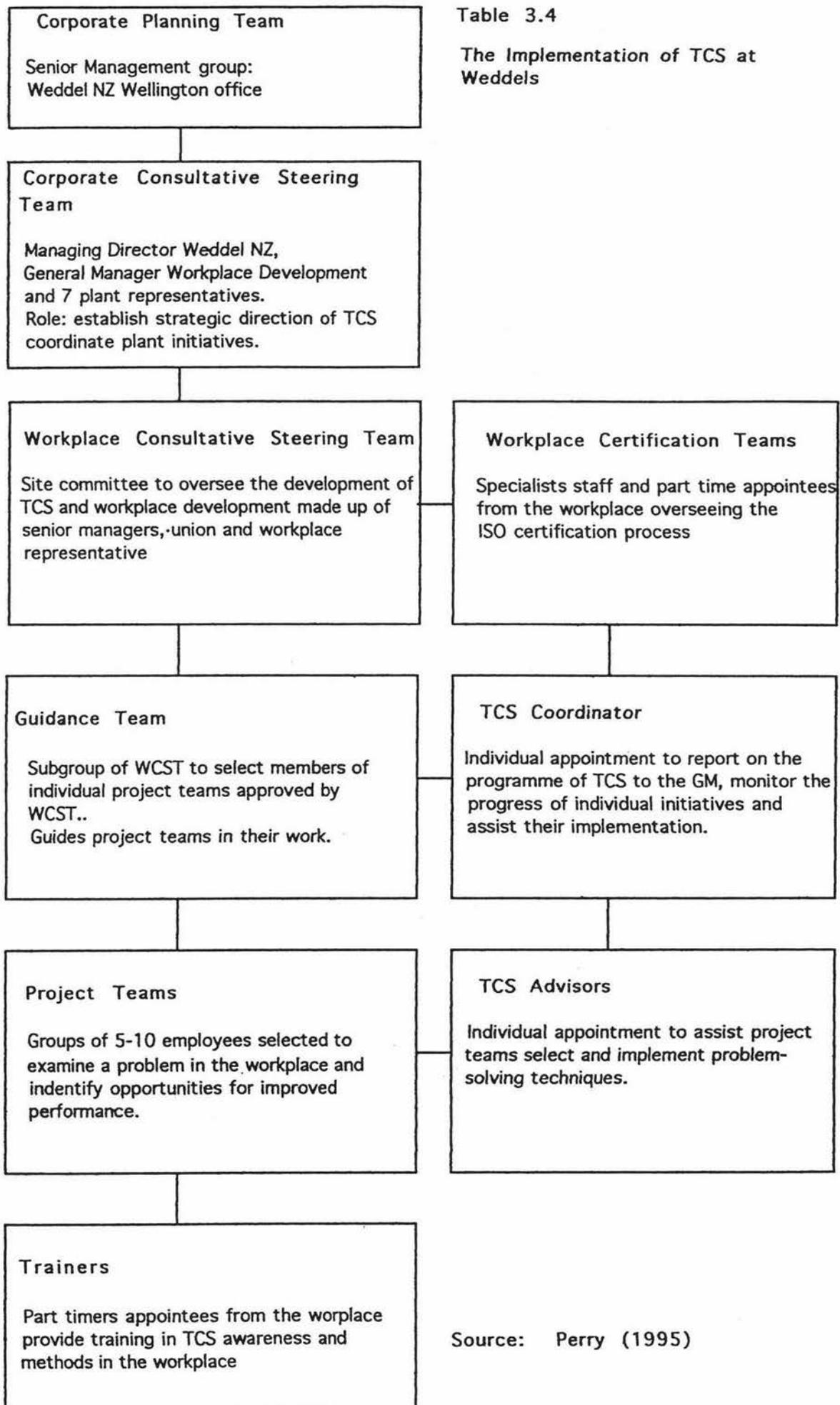
#### **2.5.1 International Standards Organization Certification**

Shortly after this course was completed coordinators and tutors were appointed to familiarise the workers in the production areas with the International Standards Organization (ISO) certification procedures. These procedures were intended as an aid to building the principle of Total Customer Service into each individual job as well as satisfying the immediate expectations of

---

<sup>3</sup> "Pulling a purple" refers to the Corrective Action sheet that was coloured purple. This sheet was used by any number of staff who deemed it necessary to get prompt action on a particular problem that needed rectifying.

overseas customers (Perry et al, 1995). By the time of closure most areas had their procedures in place and there was a touch of sadness from the coordinators and tutors who never saw their completed work in operation. There was criticism from senior management who believed that these procedures were becoming too unwieldy especially with the amount of paper work that was being generated. In every work area all of the work procedures had to be documented into manuals which could not be amended without going through the correct procedure of notifying the ISO office.



Source: Perry (1995)

### **2.5.2 Safety Hazard Teams**

With the advent of the Occupational Health and Employment Act 1992 safety issues were no longer just the concerns of the safety officer but were now the responsibility of everyone. There was a requirement for hazards to be identified at the work station rather than rectifying the problem after the incident. Tomoana set up hazard teams for all departments and these were fully operational before the plant closed. A number of managers and workers were of the opinion that had it not been for the legislation, the company would not have implemented the identification procedures.

### **2.5.3 Towards 2000**

Over and above the consultation process, Towards 2000 (T2000) was a forum set up to air industrial relations issues and promote ways of enhancing profitability to secure the long-term viability of Tomoana (Perry 1995). The forum's members were largely from the WCST committee. There were very few important decisions emanating from this committee as the matters to be discussed, such as cost cutting measures and multi-skilling, required decisions that the workers' representatives felt were beyond their mandate. However they did call for suggestions through brain storming sessions from the workforce on ways that savings and efficiency measures could be made. The response drew over 3000 suggestions and a number of these measures were implemented.

### **2.5.4 May 1993 announcement**

Because of the lack of decision making on major issues and pressure from head office, the general manager and a key group of plant managers independently came up with a package of plant restructuring measures that were announced to staff in May 1993. The details and the ramifications of these measures will be discussed in Part 2. However the broad outline of the T2000 measures were; a) redundancies in areas that did not yield sufficient savings, b) a 13% reduction in direct labour costs, c) a skill-based payment system with a commitment that it would be designed and implemented over the next 12 months, and d) a team-based working

environment with team leaders and captains. This measure was to foster product knowledge and do the job well. All of these measures were later to be included in a plant agreement that was eventually agreed to by the staff after a lot of acrimony that in the end saw the union shed president lose his position and the union secretary hold on to his by a slim margin.

The company believed that if it hadn't introduced the TCS philosophy first then the workers may not have accepted the restructuring measures. However, the workers felt a sense of betrayal after what they thought was a shift in the company's attitude from a directive management style to a more inclusive environment was shown to be false. The workers knew that things were not well with the company and the industry. They saw Affco going through a massive restructuring programme at the same time as Weddel, and the procurement war between farmers and meat processing companies was affecting Tomoana's ability to operate at an efficient capacity. However this didn't resolve their disquiet towards the company and certain union officials.

There was resistance to the team concept in the larger departments such as the beef boning room and the mutton slaughter board. There were various reasons for this resistance, not only from the workers but also from the team leaders (foremen). The former saw it as a name change only with no benefits and the latter saw it as a threat to their authority. As mentioned above, the pros and cons of Weddel's attempt to improve the efficiency and viability of Tomoana will be discussed in Part 2. But what has been attempted in this chapter has been an explanation of the difficulties the industry is experiencing and one company's attempt to rectify its difficulties through a series of measures that have been described as workplace reform initiatives.

In this chapter the writer firstly part dealt with; a), difficulties that the export meat processing is encountering with declining sheep numbers b), coming to terms with a market oriented environment, c), the history of industrial relations in this industry. The second part is a brief history of Weddel New Zealand Limited and their Tomoana plant at Hastings and an account of the workplace initiatives that the plant introduced up to the time of closure.

In the next chapter the writer explains the methodology used and identifies the difficulties that the writer was to encounter when endeavouring to research the concept of workplace reform in Hawke's Bay.

## Chapter Three: Methodology

### 3.1 Introduction

This thesis was originally going to be about Weddel's Tomoana plant, where a case study method was to be undertaken to identify and determine the substantive characteristics of workplace reform. However as has been documented the Weddel company went into liquidation several days after the plant manager gave the author a conditional agreement to carry out the research.

After a conference with the author's supervisors, it was agreed that there was significant merit to be gained from carrying out an assessment of workplace reform by reinterviewing the participants who took part in a recent study of workplace development at Tomoana. This recent study was undertaken by Dr Martin Perry, and forms a chapter in a book about workplace reform in New Zealand. (Perry, et al, 1995)

The new aim of this thesis, given the plant closure, was to determine whether or not the participants in Perry's study had differing views and experiences of workplace reform from those identified in the original study. The idea behind this particular strategy was to use the Weddel collapse as a test of workplace reform more generally, hence the need to involve those same stakeholders. There was also the need to include the views of a variety of external stakeholders.

In order to achieve this, the methodology used was a qualitative research approach using unstructured interviewing as a technique for obtaining data collection for analysis. The writer is well aware of the debate over the merits of qualitative and quantitative analysis and it is not the intention of the author to become embroiled in that debate. However it is important to justify the use of qualitative analysis instead of quantitative analysis. What was required was to capture the meaning of workplace reform and not an accurate measurement by using objective data collection methods. The author concurs with Morgan and Smircich (1980) that the requirement for effective research in situations of social change is that scientists can no longer

remain as external observers, measuring what they see. They must move to investigate from within the subject of study and employ research techniques appropriate to that task.

The technique of interviewing, according to Loftland and Loftland (1984), is a conversation whose goal is to elicit from the participant, rich detailed materials that can be used in qualitative analysis. In contrast to structured interviewing (such as opinion polling) where the goal is to elicit choices between alternative answers to preformed questions on a topic or situation, the unstructured interview seeks to discover the informant's experience of a particular topic or situation. The author believes that this form of research was best suited for this study because the data sought was an informant's experience of workplace reform and not just an opinion on the subject.

The author chose the ethnomethodological approach because this focuses on considerations that participants invoke in relating terms of rational commonsense construction in the world. According to Bittner (1974, p.75), it is by studying how participants in those scenes or settings use everyday life constructs to interpret the objects and events that surround them, and how they react to those objects and events in everyday life.

Having justified the use of the above technique it is important to operationalize the project. Fetterman, (1989) lays out a useful framework for presenting an ethnomethodological approach. This covers, selection, entry, interviewing, analysis and ethics.

### **3.2 Selection**

As mentioned above, the reason for selecting Perry's (1995) stakeholders was that they were the key participants in the implementation of the workplace initiatives at Weddel and Tomoana. Therefore it was an ideal opportunity to reinterview them to discover whether they still held the same views about the workplace changes. Of the twenty five participants that Perry interviewed the author was able to interview eighteen. Perry's (1995) informants did not include any rank and file workers. Therefore it was decided to include two past workers. A foreperson, retitled

a team captain, was included as this particular person was mentioned constantly by the participants. The new shed President was included because the previous President at Tomoana was deposed during the implementation of the workplace reform initiatives. It was also decided to include a number of key stakeholders (five) who were not employed at Weddells but who are commentators of workplace reform nationally. Four of these external stakeholders have an intimate knowledge of the meat industry. Overall twenty five interviews were conducted.

### **3.3 Entry**

According to Fetterman (1989) an introduction by a member is the ethnographer's best ticket into the community (p43). The writer did not know any of the participants and therefore was reliant on the goodwill of the participants to become involved in the project. Interviewing participants is fraught with ethical questions, and this will be discussed below, but to gain access the author sent out a letter of introduction and a research information sheet to all participants. Then, after seven days the participants were contacted by telephone to see if they wanted to be part of the research project. Of the twenty five stakeholders in Perry's (1995) study, eighteen agreed to be interviewed. Of the remaining seven participants, the author was declined by three for personal reasons, one had left the district, and three could not be contacted. None of the external participants refused to be part of the study. All of the interviews, except one which was at the author's residence, were carried out at either the interviewee's residence or place of work. Before the interviews took place each participant was required to sign a consent form, the contents of which had been laid out in the information sheet. A copy of this may be found in **Appendix 1**.

### **3.4 Interview**

The interview itself was structured around two approaches. One was the formally structured approach which had the purpose of being non-threatening, sometimes called an icebreaker, and also with explicit goals. The second approach used was the informal interview and this, according to Fetterman (1989), is the most common in ethnographic work. It was used to

discover the categories of meaning and how one person's perceptions compares with another's. They are also user friendly and this helped to establish a healthy rapport with the participant.

All of the interviews were taped with the full knowledge of the participants (see, Appendix 1) and the duration of the interviews was approximately one and one half hours. The interviews were transcribed by the author and the whole exercise took three months to complete.

### **3.5 Analysis**

This area is one of the most engaging features of ethnography. Fetterman (1989) and Loftland and Loftland (1984) all agree that it begins from the moment a fieldworker selects a problem to study and ends with the last word in the report. Because the closure of Tomoana was an emotional period for all concerned, relevance was so important and a great deal of common sense was needed. The skill was to look for patterns of thought and behaviour identifiable with the model using the defining characteristics out of the literature.

### **3.6 Content analysis and Matrices**

This was achieved initially by plotting all of the transcribed interviews on a matrix with common themes. This exercise provided an immediate picture of the range of variation across the defining characteristics. Then these themes helped the writer to select a smaller stratified sample where each group of participants, workers, management, union and external participants had a separate template to determine the defining characteristics in each category. Once this had been completed the content could be analysed by detecting recurring words and phrases and these were recorded and their significance was noted against the concept. This was used to highlight the participants explanation and experience of the various characteristics when comparing each category.

### **3.7 Ethics**

It is important when researchers pry into participant's thoughts and beliefs, that their anonymity is maintained and they have full knowledge of the research that is being carried out. The author's research protocol was submitted to the University's Human Ethics Committee for

approval before the author could begin the interviews. The application and description of the project along with accompanying information and consent form may be found in Appendix 1.

### **3.8 Difficulties with Entrance**

The author mentioned above that there was some difficulty getting into premises in Hawke's Bay to study workplace reform initiatives. Owen Harvey of Workplace New Zealand, Gordon Anderson of Training and Quality Services and Ted Martin of Certech Services kindly informed me of companies in Napier and Hastings which were in the process of doing something different in the way that they operated their business. Out of the ten premises that were introducing new workplace initiatives, only three showed some interest. The rest were either too busy to become involved in some form of research or felt that they had not progressed to a stage that would be beneficial to the author. Of the remaining three, two showed considerable interest but it is felt that after some thought they felt that the exercise was greater than they contemplated. The author understands that both companies were becoming inundated with surveys and visits to their premises and that it was affecting their implementation. One of the firms was in the process of introducing a skills programme and the person in charge was under considerable pressure to demonstrate results.

The company that did give approval was Weddel Tomoana and there were some difficulties arising out of what the author wanted to study and what the company wanted out of the research. The plant manager and the works development manager wanted the author to give them a report on the findings of the research. What the author wanted was to study several departments using an ethnographic agenda which entailed the 'trust' of the participants being observed and documented. Unfortunately the company were directing the author towards departments that were not successfully operating the way they wanted them to. It was suspected that the company was having problems with supervision and the workers were resisting the changes. At a meeting with the above-mentioned managers they informed the author that the company wanted to know why some departments were successful in implementing TCS and others were not. After discussing these concerns with the management the author said that this matter of

ethics would have to be discussed with the author's supervisors and Head of Department. Unfortunately the author will never know the outcome because three days later the plant closed.

What this does highlight is the difficulties that researchers have in conducting field studies. Yin (1989) argue that researchers should adopt an opportunistic approach to fieldwork in organizations. Fieldwork is permeated with the conflict between what is theoretically desirable on the one hand and what is practically possible on the other. Yin (1989) believe that when negotiating access it is helpful to offer a tangible product in return for cooperation. That may be satisfactory if a situation is neutral and everyone is made aware of that at the beginning and agrees to that strategy. But to gain the trust of participants this approach may hinder rich data collection, especially if the participants know that management may use a report to change the participants' work contract following the release or publication of findings.

In this chapter the writer has explained the methodology used and identifies the difficulties that the writer was to encounter when endeavouring to research the concept of workplace reform in Hawke's Bay.

In the next chapter, the writer will analysis the interviews of the management participants involved in the workplace initiatives at Weddel's Tomoana plant, and use the defining characteristics to arrive at a conclusion.

## Chapter Four: Management

### 4.1: Introduction

The management structure at Tomoana prior to the workplace changes was bureaucratic and the style of management was autocratic. The structure and style at Tomoana applied from the Plant Manager down to the foreman on the chain. The structure and style of management was not unlike most meat processing plants in New Zealand, especially the plants of equivalent size to that of Tomoana. The processing and marketing of the product had changed little over the last fifty years. Therefore change on the scale that was introduced at Tomoana was not going to be easy, especially for some of the longer serving members of management. They had to cope with an environment of inclusion, changes in the way that the product was now consigned, emphasis on quality and continual improvement of the product and staff relationships. Cost and wastage was also a major issue. All of this came under the banner of Total Customer Service (TCS) and the moves towards Tomoana 2000 (T 2000). Therefore this chapter reports the reaction and attitude of a group of managers at various levels within the Tomoana organization to the process of TCS and T 2000.

The process and the implementation has already been discussed in Chapter Three and there is no need to go into great detail with the various stages of implementation. However it is crucial to point out that TCS and T 2000 went through four distinct phases: 1) designing and approving the concept with the corporate office, 2) awareness courses and project teams, 3) Towards 2000 announcement in May 1993, 4) period leading up to the closure in August 1994. The importance of this is that various positions and responsibilities changed during these periods and this will become obvious as the discussion develops.

The defining characteristics are in the conclusion. The reason for this is that in the body of the analysis, the defining characteristics appear more than once, and it would be impracticable to sectionalise the analysis .

## 4.2: Analysis

Most of the managers interviewed supported the concept of TCS.

Jim was a supervisor who became a departmental functional manager from May 1993;

I was right behind it. Instead of us telling the customer what they should have, the customer was now telling us what they wanted. Now trying to get that mind set on the floor was important.

Harry went through the same procedure of promotion as Dick;

Gone were the days of through put and fix up your problems at the other end. It was starting to take shape. Everyone was concerned about their bit of work. They wanted it to be right for the next person.

John, a corporate manager;

The aim of TCS was a paradigm shift. But people tended to take a narrow point of view as it affected them. We wanted to improve the overall working environment and contribute more than just their manual skills. Take pride in what they were doing, cooperate rather than being antagonistic. A greater attention to quality of service and product.

However there were a number of dissenters or doubtful Thomas's.

Walter, a functional manager, said;

If something went wrong "well this is TCS for you". It not only came from the shop floor but also from the supervisory level as well. It was only a passing fad to some of them. I think a number had trouble grasping the concepts and this was their way of showing it. But looking back on it people did give it a pretty good shot.

What the above demonstrates is that TCS was endeavouring to set an environment in a plant that was used to direct controls and a standard way of doing things. However the way the company went about introducing TCS and the defining characteristics that are common to workplace reform debate will be scrutinized from a management perspective.

This decision to change was going to be a difficult one for all concerned and this was certainly borne out by a senior manager at Tomoana.

Doug;

I personally felt it quite challenging. I certainly did a lot of soul searching on the matter. If we were going to change to what we wanted to be, rather than what we were, then it was going to be a dramatic change in the way we normally did things, and people would not necessarily accept that unless management was prepared to change.

One of the key corporate directors, certainly a key player in the changes at Weddel, demonstrated that there was a shift in the company's attitude to the development of inclusion.

Bob;

The changes were to improve the overall position of the company financially and also the performance output. There was also the move to improve everyone's lot from a human relations angle. The human resource area needed to be addressed. The ways of solving problems were not getting anywhere by confrontation or directive styles.

From the production section there was also a realisation that things were not all they could be. One of the assistant operational managers, who had been with the company for many years, was of the opinion that the way of operating as a manager had to change if Weddel, and especially Tomoana, wanted to compete in a marketing environment, where the customer was now dictating the terms.

Jim;

But it was more focused how the department operated. It was results driven. We worked more closely with the staff and the foreman. We had more time to spend with them. Encouraged them on what to do. Whereas the assistant ops manager was too broad, you programmed your time with the various departments but you relied on the foreman too much. You seemed to rely on the results rather than implementing the change. I found the flattened management structure better, less adversarial and more interesting.

There was a concern from the staff who were given the authority to implement and co-ordinate the change policy that it was not just the barriers from long serving workers that had to be overcome, but from the forepersons.

Chris;

Certainly the influences of supervisors/foreman react in different ways as well. They are being looked at as being leaders. Certainly their actions can influence people. Admittedly there were supervisors who were not prepared as much as others to negotiate and talk through things with their workers. *A total change of style was required.*<sup>1</sup> A more participative style in decision making was required in their departments.

The issue of continuous improvement is linked to the TQM philosophy of the product but there was little in the way of continuous improvement in labour/management relations. If there was then it was on a superficial basis. This issue will be discussed below.

The quality issue was at the forefront for most of the period but at the back of the minds of management was the question of costs. This impinged into all of the defining characteristics. To improve the output, quality and wastage the company encouraged the development of project teams. There was criticism and praise for these teams.

Harry;

We set up 3 project teams. One of these was a long one, 15 months, meeting once a week. The end result was money and they had a new fellmongery over at Tomoana North and were reluctant to put any money into this one. The experience of involvement was really the main thing that came out of it in the end. The participants in the team felt it was the result that gave them the achievement and not the implementation.

Jim;

---

<sup>1</sup> Emphasis by writer

They rushed in with 30 odd project teams at the height of the season. In my previous job as a supervisor on the Mutton Slaughter floor, taking 6-7 people out to go on these project teams was frustrating, especially when you are running the chain to a tight schedule. When I wouldn't let them go on these teams they thought I had something against them. They were a bit narrow minded. Some of the projects should never have got started as the jobs they were undertaking were too complicated and some were irrelevant.

On the positive side of the ledger there were some successes but these were in areas in which there was not going to be a great deal of money spent.

Doug;

The project team that I was on proved invaluable to the company and it saved them a considerable amount of money.

Gordon, a team leader;

I led a team on how to devise a better way of stacking hides. It was so successful that I was asked to present our method to Massey University.

Probably Harry sums it up the best;

When the plant closed there was only 5 project teams in operation. The rest either folded because of the lack of interest, irrelevant or the project was going to cost too much.

The issue of quality of product and the quantity of throughput engendered some interesting observations. The developers of the concept were convinced that the workers, union officials and the middle managers were all aware that the processing departments were now concentrating on quality and there was a change from the old mind set of "you cannot stop the chain" to one of consultation.

Alan, the Operations Manager;

I used to say, if we have to stop and fix it, so be it. Everyone used to say we can't do that. It was the workers in the teams and the committees that came up with better ways

of fixing the problem without stopping the production than I did. What they needed was someone to say we are not production orientated any more and here is an opportunity to prove it, and I did. Ok, if we miss a container going out to the market place this afternoon that's a shame as the customer will be let down. But if we fix it so we never miss one again for that reason it is a gain. They started to click on to that.

Middle management agreed that there was more flexibility since TCS was introduced but the idea of quality in a processing plant, where the animal numbers were dropping, was becoming a source of concern. This was causing headaches for the corporate office and was having an effect at the front end of the processing chain.

Harry;

It's all very well talking about cultural change and internal and external customers. We have to start talking about numbers and getting dollars back in the bank. This couldn't be achieved through TCS. Quality goes so far but when it is the quantity that makes the money, wrong messages were being sent. What they really wanted was quality as well as quantity. Numbers were dropping on the chains. This contributed to the overheads and got constantly rammed down our throats.

Manu;

It is hard to run quality and quantity side by side. Look, when you are used to a chain running at 9 a minute and trying to keep the quality up which wasn't there in the first place. To get the quality they would have had to slow the chain speed down to 8 a minute. That was the workers biggest bugbear, the company wanted quality, but wasn't prepared to slow the chain down. Other instances were in the boning and beef house. In the beef house the kill might have been 740 and be expected to reach that. But the quality wasn't being achieved. But it never happened because the machinery in the beef house just wouldn't cope with it. There were continual breakdowns, extension of hours to get the quality and quantity. There was a lack of concentration and tiredness. They never reached it in the 1993 season. Boning room - much the same: Quantity and Quality didn't go hand in hand. To get their quality they should have reduced their output. The

overseas market instead of receiving sirloin they got porterhouse. The workers said it is possible but you need to inject more labour. This issue was always raised, you give us 2 or 3 more men. But the cost goes up. Even in my department if we started talking more manning, as a team leader you shied away from it. The object of the exercise was to reduce your labour costs and make sure your output is up to the high quality.

The cultural change at Tomoana was going to be an enormous task. The plant had 113 years of history behind it and there were many long serving staff who had worked in the industry for most of their working lives and a lot of that time was at Tomoana. During this period of implementing the change factor, various courses were made available for senior managers to attend in order to familiarise them with the concept of change from a quality/customer perspective. Once that was under way the rest of the staff and unions were brought into what the company was planning to do. The company went to the workforce and asked them to assist in developing a mission statement and to suggest changes that they thought should be made to improve the company's viability and image following the survey of Weddel's clients.

Jim;

So we went to the workforce and said, is that the right way to go? What ideas have you people got? We would like you to put forward your ideas. We are going to develop a mission statement and we want you people to be involved in that. And the thing slowly built from there. So it wasn't something that management inspired in that this is what we are going to do and have done in the first 6 months.

While that was going, on middle management supervisors and union delegates were going on two day courses on teamwork, cooperation and consultation. This caused a lot of unease amongst the supervisory staff. Never before had the workers been consulted about how the plant should be run and asking for ideas was unheard of.

Harry;

I think they felt a bit challenged by the workers. Here was management listening to the workers when we have been trying to tell them this for years. I think the focus was management's participation with the workforce. They said, "we are not interested, stuff it". Who ever designed the training programme appears to have concentrated on the worker rather than the staff. They saw their power going a little bit too.

This became more pronounced when the company embarked on the team concept enshrined in the new contract negotiated after the Towards 2000 announcement in May 1993. This is where workplaces would be split up into teams with team leaders, previously known as forepersons, and a new position of team captain. The first issue was that supervisors saw fellow colleagues being made redundant and the second was team captains doing some of the foreman's work for no extra pay. A number of supervisors were initially not prepared to cooperate fully in the new team based concept.

Manu;

Yes. Initially it was a threat. It was very difficult trying to encourage them into doing it. Letting go of some of that power and authority. It was a matter of encouraging them of the concept. Once they accepted it things were a lot smoother. By the closure they had all accepted the concept.

In some of the smaller departments a form of team work was already being practiced before the T 2000 changes. A foreperson in one of these departments encouraged a splitting up of duties and allowing groups of workers to plan their day and this freed up a lot of time for more pressing duties. In fact some of the workers arrived in earlier than was necessary and left later to make sure that the new shift was conversant with what was going on.

Gordon;

We were working in a team environment long before TCS was brought in. It was the type of environment where we worked in small groups anyway and this made it easier when they brought in TCS. We used to meet once a day for 15 mins and discuss the previous days work. They wanted to organise things themselves. They solved problems

themselves. They wanted to be told what they were doing wrong. My job was there to facilitate rather than direct. Look, you must bring everyone into the decision making process.

However when the T 2000 changes were announced, Gordon, who was away giving a lecture at Massey on the new process that had been devised for stacking hides by the project team, arrived back to find that his department had been reorganised.

Gordon;

However when the May restructuring came along I didn't like it. It put my nose out of joint. One day I had worked with guys for 25 years and the next day they weren't there. They had brought in some new supervisors/team leaders and 2 plant managers/functional managers. They had different ideas. It took me and the rest of the workers some time to come to terms with the new changes.

This team approach was to enhance a cooperative and consultative approach to the workplace. The team leader was there as a guiding hand and the team captain, who was nominated from the workers and rubber stamped by the team leader, had a role of developing a link between the workers and the team leader. In the smaller departments the concept was working, however in the larger departments, such as the mutton slaughter board and the beef house, the team concept never got beyond the developmental stage. Team leaders were appointed but very few team captains came forward.

Alan;

In one of the bigger departments they ostracised the idea of team captain. And anyone who performed or who was selected to be a team captain attracted a bit of flack from his workmates. But over a period of time I kept on saying to these departmental workers, "you know what is happening in the other smaller departments, costs are coming down, the team captains are enjoying it". In the end they started to become accepted by the bigger departments. They were there to support the work team, not to be another boss. Not be a person who stood over them saying you do this and that. They were there to see

if dirty stock was coming through or contamination of animals that needed to be boned or cut. They were the ones who would do something about it so they could do their job better. Now, once they saw that and got their mind around the idea of the team captain and the team leader and the whole management structure was there to support them to do their job even better, they started to change their ideas.

However, opinions from other senior staff differed.

Harry;

Teams could not work in the larger departments because of the operation. How can 300 workers split up into teams when you have animals going past in a straight line at 8-9 a minute? It was in name only. The name team leader was only a swap from the old foreperson position. However it was working in the freezers and other areas where guys have been working that way before they changed things in May 1993.

Manu;

Nothing changed with the operations. But there were some changes, mainly in the running of the department that I looked after. In all the areas of the By-Products they all worked very well. I think this was because they were a closer knit group and not big and unwieldy. The jobs were in small groups. It was easier to perform your role acting as a team captain and still perform your own task. It is difficult to introduce it into a system where the person only had one job and the meat kept coming down and the team captain was not able to move around and to give a coordinated role. They could get into areas where there was a problem. Whereas in the By-Products area they could leave their area for a couple of minutes and go and look at the problem, give advice, answer the phone.

Jim;

In the freezers the team concept worked well. The answer was that you didn't have a team leader leaning over you as you would have up on the mutton floor. The team concept was already working in the freezers before TCS and T2000 came along which

made the formal team concept easier to implement. I believe that is why it didn't work up on the slaughter board. Also there were too many hot heads and long serving guys who were only interested in the money at the end of the day.

The introduction of Towards 2000 (T2000) was certainly the focal point of the workplace reform debate at Tomoana. Certainly Total Customer Service (TCS) was the changing of people's minds. A culture shift in getting people to look at new ways of approaching their work. However T2000 was the nuts and bolts of getting money in the bank.

Manu;

I saw TCS as getting the confidence of the worker. This was done through modules and seminars to get them to understand what it was all about.

Alan;

Then of course the T2000 initiatives came along as a commercial decision and that is where some people on the shopfloor had trouble coming to grips with the relationship between TCS and Industrial Relations. I think that was one thing. They took some time coming to grips with the relationship between TCS and the commercial viability of the business. From where we sat we could see where it meshed with each of these things. But it took a lot of talk time with a lot of people before they understood it.

Chris

I was concerned about the undermining of the progress of TCS and trust. But at a time like that and with the facts in front of you it was done with the intention of survival. We had to put together a survival package and it was a lot better to do that than do nothing. To do nothing the owners may have closed this plant down, therefore it was our responsibility to do something.

Harry;

It had more of a harder edge. Look, we have got to do something here or we may go down. It was all very well talking about culture change and internal and external

customers. We now had to start talking numbers here. We have to start getting dollars back in the bank.

The question was raised that if the company had not introduced TCS first then the measures taken in May 1993 could not have been accepted by the union and the workforce.

Harry;

If it had not been for TCS and the evolving culture change I don't think we would have successfully negotiated what we did.

Manu;

Certainly it took a lot of people out of the workplace to attend TCS courses and that was frustrating. Because in a lot of cases you had to be able to manage to make sure that the production schedules were met. I guess it was quite costly. But when the pressure came on to make the structural changes in May 93 it became obvious that the exercise was very worthwhile.

The management and unions at Tomoana have had a cordial working relationship. An exception was the 1982 strike when the plant was closed for 9 weeks. In the past there had been a willingness on the part of the Tomoana Meatworkers Union (TMU) to look at introducing measures other than what other sheds in the meatworks unions would think of developing. Quality circles and industrial engineering are two examples of past initiatives that had union support. The union President was the driving force from the meatworkers' side on the implementation of TCS and T2000 and this was recognised by the senior management.

Alan;

I don't think he ever faltered in his own beliefs that there was a better way to manage the business for his membership as well as for the business.

The company recognised that to achieve the desired results they must at least involve the union. The reform process would be employee driven rather than the union leading from the front, especially if employers did not take an anti union stance.

Jane;

It has to be largely employer driven because the employer has to put the financial resources in to make it happen and it has to be at least union supported and preferably employee driven. With the absence of union support you would be pushing it up hill.

The industrial manager also believed that TCS would gain a momentum of its own and the militant forces within the union would be side lined.

Jane;

You go to a board of control and there is a tendency for people who didn't think it was going as quickly as it might have been to be forcing negatives. Then there were other delegates who would sit there quietly and go back to their departments and get on with it.

The issue of the contract did cause a lot of problems but the industrial relations personnel believed that even though there were pay reductions there was a commitment to improve training, communication and consultation.

Jane;

The contract with the reduction in pay rates, etc, did cause problems. But equally the contract had a much greater commitment towards the concentration of a team work environment and increasing employee responsibilities and improved communications and training. I think that it was accepted by the workforce says heaps.

To get the workers to accept the pay reduction the management allowed the meat workers union to appoint an independent accountant to examine the accounts of Tomoana.

Alan;

An independent accountant was brought in by the meatworkers union who announced to the workforce that what is being told is 100% correct and the President said, "I have a letter to that effect." That actually did help to convince people that the company was not people bashing. This was all part of the trust thing.

After the meatworkers union voted to accept the changes that were in the negotiated contract the shed president lost his position and the shed secretary just managed to hold onto his position.

During the eighteen month period leading up to the May 1993 announcement, a committee of senior union delegates and management met once a week to look at cost saving measures to ensure the viability of the plant. Unfortunately very little success was achieved. The decisions that the union were asked to make were beyond their brief. These included the introduction of multi-skilling across all departments, using contract cleaners for after and pre kill, instead of using labourers to perform these duties. After eighteen months senior management decided to go it alone and came up with the T2000 package.

Chris;

This came in at a later stage. The T2000 was never part of WCST. It was the management team saying, despite all of the good things that we are doing at Weddel's, such as the quality systems, we have to address our own internal problems because, the overseas owners are still not satisfied with the progress being made. So in Nov. 92 the T2000 group was set up. It involved management and workplace reps. It was purely set up as a means of identifying ways in which we could hasten the financial improvement of the company by the adoption of various projects. .... For 3 months we bashed our heads and everyone was all fine about it, except when it came to the hard bits. Ultimately in about Feb 93 the weekly meeting of the T2000 committee every Friday morning got to a point when we said, listen it doesn't matter, (management talking here), you have identified some of the things, but to go to the next stage of the required action plan is causing us some problems. Why is it that we cannot get a decision from this group, in a consultative way? "I have got to go and talk to national office." Or. "I don't want to be involved in anything that is going to do that." Unfortunately, whilst we were trying very much to involve the leaders in the place, there was a reluctance by some of these people to be part of the ultimate decision.

Harry;

Trying to get consensus amongst a varied group of workers was near impossible. We were at it for about 18 months. We discussed multi skilling of trades people and processing staff. The trades people were against it but there was some support from the freezing workers. The trades people thought this is too big for them, they didn't want to make decisions. It was a forum of ideas but nothing concrete came out of it. Management felt things were not proceeding fast enough to bring in savings. They took the bull by the horn and announced in May 1993 a package of measures, eg redundancies, contract negotiations.

Doug;

We could never get consensus. I insisted on a motion coming forward and being voted on. If a controversial matter came up the union said we should not put the motion forward and be voted on as they need direction on how they should be voting. It got to the stage where a member of the trades union got so frustrated and said, "look here, you are the management. You are paid to look after this plant. Get on and do it". And the meeting sort of fell apart after that. So management did exactly that.

Training was one of the major commitments that the company gave to the unions and it was agreed to in the contract that within twelve months there would be in place a skill based payment system (SBPS). The system, however, never got beyond the development stage. The company sent along twenty five personnel from Weddel to a seminar run by Workplace New Zealand on Skilled Based Pay. The company, after discussing the issues at the seminar, decided to go back to the drawing board as the costs of implementation would be too horrific. The company decided to concentrate more on the team concept. Three weeks later the plant closed.

Blair;

My view is we would only pay him for the skill which he was performing at the time. We had a look at a number of industries that pay the top rate. We were going along

pretty enthusiastically for a while until we got to that stage and things floundered a little, because there was going to be some massive costs involved if we progressed that way.

Chris;

We were really grappling with it. We were committed to it and we know it was the right thing. But the problem was how to introduce it.

Doug;

They didn't get very far on it. I was on the skills awareness committee and we would go through all the other committees' minutes and publish a weekly newsletter making people aware what was going on around the plant. I don't think we published anything from the skills based committee as they were struggling to get past discussing it.

There was a commitment from management to training by the company and it is recognised that a lot of resources went in this area. However that commitment was in areas that didn't attract a cost in the long run. There was the TCS awareness raising where 1500 workers were put through half day seminars. Managers enrolled in correspondence courses. Middle managers were given courses on leadership and communication skills.

Harry;

When we went to seminars the company would send the personnel that needed to go. It was a bit of a joke when you would see the opposition meat companies in the area at the same seminars with only one or two representatives. Take the SBP seminar, we had 25 and a meat company not too far from here only had one. I used to question if Weddells were over doing it at times. They seem to put money into courses where the end result would add to the overheads.

#### **4.3: Conclusion**

The management who were interviewed were committed to the whole process of change at Tomoana. However cost was a debilitating feature. No matter how committed the company

were towards the staff, costs were the overriding factor. The problem solving teams became disillusioned when costs were highlighted as a reason for not proceeding with their suggestions. The introduction of a skill based pay system was shelved for similar reasons.

### *The defining characteristics test.*

#### **The employment contract:**

This had the necessary ingredients to support the change. Unfortunately with Weddel's negative cash flow problem they were unable to deliver to the workers a skill based pay system that was agreed to at negotiations. The team based concept of leaders and captains, even, though written down and agreed by both parties, was not a success in some of the crucial departments and this was a concern to management.

#### **Job redesign:**

This was not a success. Middle management were having difficulty coming to grips with the concept of involvement after many years of authority and control and saw their positions being under mined by team captains.

#### **Orientation to improvement to product and service:**

Even though quality was to the forefront, some the interviewees felt that quantity was still the more important feature. What senior management thought was working didn't appear to be the reality on the shopfloor. There were successes in the smaller departments where the rapport with the supervisors and the workers was more congenial and there was a desire to improve the quality of the product. But in the larger departments the design of the process didn't allow this to happen.

#### **Pluralistic working environment:**

The TQM approach does not lend itself to conflict. The management, even though showing a desire to work closer with the union/s, still led from the front and the union/s were the followers.

**Training and skills formation:**

A lot of money was spent on training but this was mainly in the awareness raising programmes of TCS. However the commercial realities did not allow the next step of passing on the benefits to workers who would have enhanced skills, as this would have been a cost.

**New management tasks:**

Middle management reluctance in some of the larger departments to embrace an environment of inclusion was a concern to senior management as they were seen as a blockage to bringing forward the team concept. Some were made redundant in the May 1993 announcement and the ones who were left were given extra encouragement. There was a tendency by senior management to play one department off against another to enforce this new environment of inclusion. There was a belief from senior management that it was having the desired effect.

In this chapter, the writer has analysed the interviews of the management participants involved in the workplace initiatives at Weddel's Tomoana plant, and used the defining characteristics to arrive at a conclusion.

In the next chapter the writer will analysis the interviews of workers who were participants involved in the workplace initiatives at Weddel's Tomoana plant, and use the defining characteristics to arrive at a conclusion.

## Chapter Five: Workers at Tomoana

### 5.1: Introduction

The most successful reform exercises have been in premises that have involved 'genuine' employee involvement. (Enderwick, 1994, p.31) At Tomoana this was not the case. A minimalist approach of involvement for the employees was practised at the process level only. Involvement forms the basis of a partnership between management, workers and unions and where the parties contribute and consult within an organization.

Tomoana, being a large meat processing works developed a culture which, as in other meatworks of a similar size, had ingrained values and goals that were generated over many seasons. Some of the workers had been doing the same job for over forty years and these workers had normally attracted the higher rates of pay. However there were many workers who were auxiliary to the actual processing and many of these workers were seasonal and may have not wanted to be involved in the consultation process. But then there was that core group who, because of their lower seniority based on length of season and type of work, had shown a desire to become involved in the change process that was attempted at Tomoana.

The defining characteristics are in the conclusion. The reason for this is that in the body of the analysis, the defining characteristics appear more than once, and it would be impracticable to sectionalise the analysis.

### 5.2: Analysis

The workers at Tomoana who were there before the fire in 1979 felt that the family atmosphere had disappeared once the beef and mutton chains had been separated. Those workers who were interviewed believed that the heart went out of the place, it was like a family being split up.

Another low point was the arrival of a new Plant Manager in 1984 who was to remain in that position until the closure.

James, a labourer ;

previous Plant Managers had that friendly approach and they would walk the floors even when the 6 chains were working to full capacity but the last one seemed to distance himself from the workforce. We used to play touch rugby in the lunch hour and had a rugby league team in the local competition and they all showed an interest, except this one.

At Christmas time the workers used to gather in the canteen for carol singing but this no longer took place.

Simon, a maintenance worker and trades delegate;

The canteen was full with all the staff from the general manger down to the cleaner and everyone participated. It had an atmosphere that I can't describe. But over the last five years carol singing fell by the way side. There wasn't the enthusiasm any longer.

With this culture of low morale it was a difficult task to introduce a strategy that required a sustainable enthusiasm of commitment to not only the company but also to the farmer and the end buyer of the product produced.

As is mentioned in the literature (for examples see Addison and Hill, 1993; Perry et al, 1995), the meat industry is a heavily controlled environment technically as well as managerially. According to Inkson & Cammock (1984), the control is not just from management, it also comes from union officials, meat inspectors and groups of workers (p157). The work is also noisy, monotonous, dangerous and at Tomoana it was coupled with low morale. Why did the majority of workers initially embrace the concept of Total Customer Service (TCS) with its emphasis on training, communication and teamwork?

Phil, who had been on the mutton floor for 20 years and who was one of four newly appointed TCS tutors, said that on the courses workers attended they were saying;

hoorah at last someone has heard what we have been saying for years and someone is going to do something about it.

Mike, a labourer said;

TCS was going to improve the company's image and that this would cement in the concerns of job security.

William, a labourer who was another TCS tutor who later resigned (his resignation will be discussed below), said;

the advisors surveyed the attitude of the workers towards TCS and ninety percent were positive about TCS.

However not all the staff were enthusiastic, especially towards the supervisors.

Phil said;

I have got to admit that in the interim there was the usual story of how can you care for the 'fucking assholes' like that when he treats you like this for x number of years. They didn't take to it immediately. The answer to that was we will wait and see. I guess we were asking people to change habits of a life time and that doesn't happen overnight.

The question of the ingrained culture is one area where the research has shown that it is very hard to encapsulate a new way of thinking and working and still be committed to the reform process. (Mathews, 1994; Lincoln and Kalleberg, 1992)

The possibility of having a highly committed workforce holds obvious attractions for many managers. As Guest (1992) points out, it often requires a fundamental shift in their underlying assumptions about the workforce and about how to manage it (p.112). In the freezing industry workers saw themselves as instrumental workers and the 'cash nexus' was the only thing driving the motivation to work. A lot of foremen/supervisors at Tomoana shared similar views to McGregor's (1960) theory X where workers are lazy and essentially uninterested in work. They

did not identify with the goals and values of the organization and were therefore likely to require tighter management control.

The workers interviewed believed that the foremen would never change their attitude, mainly because they had this ingrained mentality that if the workers don't get quota out then they would be failing in their job.

Phil;

They were allowed to continually manage their departments in the same style. Real hard, real arrogant, no feeling for people. They couldn't give a stuff of the consequences of it as long as they got that product out.

This was the goal of the organization. They didn't want to buy a Total Quality Management (TQM) system off the shelf. They needed to enhance their credibility as a major player in the meat industry, not only in Hawke's Bay but also nationally and internationally. If TQM is about the orientation to improvement in product and service quality, then there has to be some form of commitment from the total workforce. As is mentioned above, the foundations didn't appear to be in place. If organizations, as Guest (1992) suggests, use organizational commitment to improve performance by increasing employee involvement, then this puts the concept of organizational commitment firmly in the field of employee relations.

Does this mean that if increased involvement is going to move staff towards organizational commitment then this will have an impact on employee behaviour? To answer the question, at Tomoana there was a minimalist approach to employee involvement. It came in the form of problem solving teams, project teams, brainstorming sessions, steering committees and, in some departments, as a team approach. The first three of these were applied in the initial stages of implementing TCS and the last was applied once the contract was finalised. However the major contributors were either union officials or selected personnel. The rank and file workers got the impression that they were being isolated from the process. Perry et al (1995) found that only twenty percent of employees were involved in some way.

As a TCS tutor, Phil was becoming impatient with management because the same gripes were being presented by the TCS group participants.

There was commitment from the workers but they had to see it happening first. I will believe it when I see it. There was a lot of doubters. When am I going to be involved in one of these projects was a common catch cry?

William;

A lot of the smarter workers took it up and ran with it but the majority of workers tended to sit back and see what would happen.

Barbara, a member of the Workplace Steering Committee (WST), expressed a measure of enthusiasm:

I support the idea of working as a team and being involved. Ever since the visit to Toyota I thought they were great. But I felt that the troops, that is the workers, were enthusiastic at the start but after the May 1993 announcement that enthusiasm quickly disappeared.

What this demonstrates is that management were hoping that commitment would come from the workers eventually. As Lincoln & Kalleberg (1992) highlight, when an organization finds the means to elicit the commitment of its members it has at its disposal a very powerful mechanism of control. Edwards (1979) goes further by stating that committed workers are self-directed and motivated actors whose inducement to participation and compliance is their moral bond to the organization. Strong stuff, but this is what the quality debate is all about: a commitment to total employee involvement, and this is achieved through a development of a non-adversarial system of industrial relations.

During the implementation period of TCS (late 1992 to May 1993), when all the staff (1500) were put through the course on TCS philosophy, there was a general acceptance that now the company was going to listen to the workers. However things were not going well financially for

Tomoana. The Meat Workers Union at Tomoana and the Company had agreed to keep industrial relations matters away from the implementation of TCS. During the early period they managed to keep to that arrangement. The Tomoana Towards 2000 Committee was implemented in December 1992 as a forum for industrial matters but many saw it as a measure to look at cost cutting.

Barbara, who was on that committee, said;

Our function on the T2000 was to try and save money. It was in all matters of the works. Large and small. eg direct crediting, unit costings, transport, cost of cars (personal issue). However the cost savings were not to affect the quality of product. We did save a lot of money even on direct crediting alone. We didn't require the security guards after that.

The question of multiskilling was also raised at this committee and this caused considerable debate which was never fully resolved. This was one of the first signs that industrial relations was starting to encroach into the TCS domain.

Barbara;

Yes, it was as a cost saving measure and wasn't very well received by the freezing workers.

The trades representative on the T2000 committee had instructions from that group's members not to become involved in any discussions. He was to be there only as an observer. The trades group was becoming disillusioned with the processes being implemented at Tomoana as the members felt they were being marginalised. Their duties over the years were being usurped by contractors and all they were left with were the menial tasks.

Simon;

All the tradespeople who have been long serving workers saw their trades being eroded. The fitters were now left with a hammer and a welding rod. So cost cutting was a dirty

word in our department. We felt it was best to be on the inside and see what was going on rather than being on the outside. At least we knew what was going on.

The main issue that was raised at the T2000 committee was the reduction of staff, mainly in the middle management area. The freezing workers' representatives felt it was outside their domain to make that decision. This also applied to Barbara and Simon.

Barbara;

The T2000 wasn't able to dig its teeth in any further. And these were managerial decisions anyway. We couldn't be responsible for making decisions like that.

Simon;

I became so frustrated that I banged my fist on the table and said to the Plant Manager, 'this is your decision not ours. Now you go and make that decision, not us'.

The T2000 committee agreed that decisions that couldn't be solved by the committee and which were outside the brief of the workers' representatives, should be passed on to the Plant Manager.

Barbara;

The biggest thing we discussed towards the end was bringing in cleaners after the staff had gone home. We were looking at putting this out to tender. This wasn't received well by the meatworkers. This work built up their pay packets. What we managed to do was reduce the cost by introducing different cleaning materials and the wastage.

Unbeknown to the workers, the Plant Manager and several senior managers were devising a revamped T2000 which was to have major implication to the further development of staff commitment and trust that is so important to TQM.

In May of 1993 the Plant Manager announced to all staff that certain cost cutting measures, as part of a strategy to increase efficiency gains, had to be made. The cost cutting measures were

right across the board. An overall wage reduction of 13 percent, overtime measures were going to be revamped, travel time was to be amended, 120 staff to be made redundant. There was the introduction of teams in all departments with the foreman as a team-leader and a worker as team captain, introduction of multi-skilling, and a commitment within twelve months to introduce a skills-based payment system.

Workers felt betrayed. Many believed they were duped by management and worst of all by their union president who was an avid supporter of TCS and who believed the company had no alternative but to implement these latest changes.

Simon;

It left a sour taste in every one's mouth. Most people felt betrayed but still believed in the concept. Even in the end senior management were starting to drift away from it. A lot of projects fell by the wayside.

William;

It caused a lot of animosity. When TCS started off it was you help us to help ourselves. Then 9 months later they give everyone a pay cut. It left a lot of sour tastes in everyone's mouths.

Phil;

They saw it as just another way of ripping us off. They were just softening us up. After we had preached the gospel of TCS and put the workers and management through their paces we ended up having to take a pay cut.

The union president was seen in bad light by a lot of the older and more vocal members of the meat workers union. Right through the implementation stage of TCS and the May 1993 announcement the President was the driving force. As is mentioned above, morale dropped and

during the ensuing six weeks leading up to the signing of the document the plant was very tense. It took two meetings of the MWU members to reach an endorsement of the contract.

Phil;

The President was inconsistent, he kept changing his direction. The workforce was confused on where they should go. It was, we will not accept this document, then we will because the books show that the company is in difficulties and if you don't pull your head in they will close it. That swayed the meeting.

There is no doubt that the company was endeavouring to open up its industrial relations approach, even going so far as agreeing to having an independent accountant study the accounts of Tomoana. However the plant was not an independent operator: it was dependent on Weddel NZ and its parent company in London as the closure demonstrated. So while the opening up of the books may have looked to be a move towards consultation and trust, in the final analysis it didn't matter what state Tomoana was in financially because it was dependent on its London parent company.

The local MWU was starting to distance itself from its members and there were divisions within the union organization. The trouble was the structure of the union. The governing body (board of control) had approximately 16 members and with any group of this size there will always be a few who will follow their own agenda. When it came to the negotiation, six members from the board of control were chosen and all was not well within that group.

Phil;

Also things weren't happy in the union organization. They had the, 'pick six'. Six guys chosen to represent the MWU at negotiations. They had a lot of communication problems between them. Some of them had their own agendas and some had ego problems. And because they weren't united as a group it showed within the workforce.

There appeared to be two themes flowing out of the negotiations. One concerned the long serving workers from the mutton slaughter board and the beef boning room. Most of these workers were in receipt of twenty four dollars an hour, they weren't concerned with multi-skilling, skill-based pay and team work. But then there was the group of less fortunate workers whose wages dropped from fourteen dollars to twelve dollars an hour.

Mike;

The butchers on the mutton slaughter board were still getting the larger rate of pay compared to us labourers. We had to work twice as hard. All they had to do was to give a couple of small cuts. It wasn't the difficulty of the job, it was the classification that counted.

The contract was accepted with a slim margin of 4 percent. Workers did realise they had to make sacrifices and there was hope that with multi skilling and skill based payments, and the seniority being plant wide and not department wide, that this would give a greater choice of work and security.

The concept of teams, team-leaders and captains was a mixed bag. In some departments it was successful because of the environment that they were working in, ie previous supervisors, type of operation, greenfield operations. In the less successful areas there was too much bad baggage to carry over, poor relations with supervisors, type of operation and fear of change.

In the more successful areas at Tomoana the matter of teamwork was already being practised prior to the introduction of TCS and the new contract provisions. The area in question was the coolstores and the culture of a team operation within that area had been ongoing because of the actions of a particular supervisor. The coolstores in any meat processing plant is large and a key operation and Tomoana was no exception. Through the encouragement of this supervisor the workers would organise how the daily work would be handled. There was very little in the way of direct supervision compared with the beef and mutton chains.

There were regular briefings and discussions during an unscheduled tea break. For example, there was a problem with damage to forklifts and in order to eliminate this damage a competition was set up to see who could maintain a clean sheet for that month. The maintenance bill dropped dramatically. Through this encouragement one forklift driver was selected to represent Hawke's Bay in the National Forklift Championships. There was a number of workers who would wait back after work and discuss the day's proceedings with the new shift team. These things were unheard of at Tomoana. None of these initiatives were from the main office: they were purely a department effort.

Phil;

In one department the team leader did a wonderful job as far as I was concerned. If he had an influx of work he would borrow some personnel off the mutton slaughter floor. They were there for about a month and they were reluctant to go back because they enjoyed working in that department. He wrote each one of them a letter thanking them for their services.

As is mentioned above, not all departments endorsed the team concept. This was because of the wage reduction, attitude of supervisors/team-leaders, lack of enthusiasm from supervisors/team-leaders and the peer group pressure from workers who may have wanted to be come team captains.

To expand on the latter point, these departments have large groups of workers who have a different work culture to the smaller departments. There is more tension because of the pressure by foremen to succeed in getting out the quota and also the work is monotonous and noisy. However some of the workers in these departments who put their names forward as team captains had not been in the department for very long and the ingrained attitudes towards the foremen had not had time to develop.

The wage reduction and the attitude towards the supervisor/team captain go hand in hand. These two areas festered right up to the plant closure. The wage issue has been covered but the issue regarding the attitude of the supervisors needs further explanation. In the literature the concept of teams regards the team leader as a facilitator/coach not a person who is resented by the rest of the team members and who still carries the direct control mentality within the work area. (Mathews, 1994; Deutsch, and Schumann, 1993)

Phil;

Look, nothing changed in the two largest departments. You still had the animals coming along at the same rate, the piece rate system was still operating, there was the pressure for better quality but the quantity still was centre stage. The physical operation was still the same. Look, they expected guys to change overnight from being individuals on a chain to now conversing with their supervisor who in most instances they would only see if they were not performing. So how do you expect the guys to communicate with the boss?

However when the company introduced the International Standards Organization (ISO) process there was a desire by the same individuals to become involved in the team process of working out work method procedures.

William;

They said this is good. This gives me a chance to say something about my job and to have a say on what I actually do.

When workers in these areas wanted to put themselves forward as team captain they were ostracized by their workmates. The problem appeared to lie with the non-payment for this position. The duties of a team captain were to relieve the team leader and to perform minor duties, such as recording time sheets and absenteeism. Therefore right up to closure there were no team captains on the mutton chain or in the beef boning room.

The supervisors' attitude towards teamwork was the biggest hindrance to its success. In areas where team captains were appointed they, in some cases, virtually ran the day to day operations because the team-leader showed no interest.

James;

Insofar as the team concept was concerned the workers in most departments wanted this type of approach but the Team Leader saw it as a threat. An example was when unit costing got under way. In one department the Team Captain would go and get the figures and discuss this amongst the members and the Team Leader would sit in the office. The Team Captain would virtually run the place.

There were various reasons for this. One of these was when the company went on to unit costings it required more planning and being able to interpret the daily costings. Some of the team leaders could not understand the new workings and became withdrawn and left it to the team captain. Another reason was that in the past the team leader would go to the store and get the necessary requirements. Now the team captain would make the decision and go to the store. Another instance was when the team leader left the team captain to make technical decisions in the beef packaging department.

James;

It was because they saw a number of their fellow supervisors made redundant in May and here were team captains not getting any more money for their extra duties. They naturally felt under threat.

Sam;

Personally they could be seeing it as a threat. Here we had a team captain plucked out of the workforce and to fill the role of a T/L with no extra pay but the same responsibilities. There you had the blue hats getting extra amount of dollars and I would imagine they would be thinking gee these guys are doing my job and they are not getting paid any extra for it. I can see management phasing me out.

The above commentary relates to the concerns in the literature that middle management/supervisors are the link between a successful implementation of teams and the whole concept of change. Matthew's (1994), calls it *sharing of the sacrifice*. In any change

situation there will be winners and losers. Usually the losers are middle management/supervisors whose jobs disappear as teamworking arrangements are introduced. The way that these potential losers are handled can make the critical difference to a programme's success or failure (p279).

The workers interviewed believed that team work could work well in the departments where there wasn't a conveyor or a chain system operating. With the continual moving of the product at nine animals a minute it was very hard to build up a relationship and plan the work. But in the smaller departments where the design of the work allowed more choice, consensus and participation between the team leader and the members was easier to achieve.

Training and skills developed in several stages. As mentioned above, everyone was put through the TCS awareness raising course. Then there were the specific areas dealing with the TQM methods such as communication, team building and motivation skills. Senior managers across the company were put on an eighteen month correspondence school course in management skills including TQM. Selected personnel were introduced to the methods of facilitation and coaching to aid in the development of project teams. A small number of workers were sent away to Auckland to be coached on how to present TCS to the staff. Another small group were skilled up on the introduction of ISO certification procedures. To oversee the introduction of TCS a steering team under the title of Workplace Consultative Steering Team (WCST) was trained for this specific task.

The employment contract gave a commitment to provide training in skills development and this was to be linked to a payment system to cover all meat workers on site. Tomoana was involved with The Industry Training Organization (ITO) for the Meat Industry. The ITO was having trouble devising a units standard for the industry. Alongside this there was an attempt by the company to introduce a skills payment system. Many workers thought this would improve their chances of development within the industry and aid their chances of job security. Unfortunately the company had problems with how it was going to apply this. There was a

difference of opinion about how they were going to apply the skill payment. Was the company to pay for the skill and knowledge acquired and pay the allowance continuously or was it to pay for the skill as and when required? This was never resolved even after twelve months of discussion and debate. This matter has been discussed in chapter five and will also be discussed in chapter eight.

It can be seen from the above that the workers in general, other than the TCS awareness course, were left on the sideline. Selected workers certainly benefited from the training given and some were selected by various firms in their implementation of TQM and ISO procedures. The workers who were involved in the Tomoana Resource Centre after the closure benefited from training they were given with TCS. They have been able to work as a team, there are no hidden agendas, the previous day's work is discussed and problems are ironed out.

All of the participants interviewed believed in the concept of TCS and would support it, but with reservations

Barbara;

Yes. I think the philosophy is great. But I think Tomoana were a little bit slow in every aspect of TCS. It was a while since we visited Toyota. We should have appointed team leaders and team captains a lot earlier. We should have made the supervisors redundant a lot sooner.

Phil;

If you give the workers the appropriate tools they will willingly take up the challenge. But if it is totally management driven then the workers will just pull down the curtain on the whole thing.

### **5.3: Conclusion**

The workers who were interviewed were committed to the TCS programme as a whole. But once the T2000 announcement in May was enacted the workers felt betrayed and trust and the

willingness to support Tomoana waned. The identifying characteristics of workplace reform have been displayed in moderate forms.

### *Defining characteristic test*

#### **The contract**

This agreement that was negotiated had the necessary ingredients that supported a programme of change and a chance for workers to become involved in the process. However it fell down because neither party could see a way to enact some of the agreed proposals, such as skill-based pay and the successful operation of the team process.

#### **Job redesign**

The concept of teamwork was not working in most departments because of the inaction of the team-leaders and the refusal of certain departments to nominate team captains. The departments where it was working to a degree had team captains who ran the operation because the team-leader wanted no part in this type of work pattern. Workers could see no visible change in the operation and many felt that working in teams and changing the foreperson/supervisor to team-leader was only a name change as the same person still controlled that section.

#### **Orientation to improvement in product and service**

Once all of the staff had been put through the process of TCS there was a rush to implement problem solving groups (forty to fifty were established). Prior to the plant closure there were only five. The majority of workers were not involved in these groups and the ones who were involved felt frustrated that when a proposal was put to the senior management it was usually turned down because of costs. The concept of concern for the customer internally and externally was appreciated in the initial stages but as time wore on workers started to lose interest. The workers interviewed fell into two distinct groups when discussing quality. The first group was sceptical of the way things were progressing and appeared to have little faith in the process. The second group was supportive of the direction Tomoana was taking with quality

assurance and were believers in the TQM philosophy, which made it easier for them to accept Tomoana's direction.

### **Pluralistic working environment.**

The TQM approach does not lend itself to conflict, however constructive. However with the company prepared to involve the local unions in most of the development of TCS, some form of conflict was inevitable, especially if the company wanted to negotiate a contract with the union. However there were still underlying notions of a unitarist approach. The company still had a strong hand on the TCS approach. They directed the negotiations when they announced to all the staff that there would be major changes to the new contract which pre-empted constructive negotiations.

### **Training and skills formations**

The training was more inclined towards quality awareness and very little in the way of new skills to enhance their work skills. A small number of fortunate workers was involved in problem solving techniques, ISO procedures and interpreting unit costings which they were able to take into new places of employment. There was an attempt to introduce a skills based payment system but this failed because there was a disagreement over how the payment was to be made.

### **New management tasks**

The workers were very sceptical about middle management. They still had the same attitude towards their department workers. Very little had changed. The workers interviewed believed that they were one of the main blockages to a successful implementation of constructive involvement. Some did admit that the introduction of functional managers made things flow a lot easier as there were fewer channels to go through and the functional manager could make decisions where in the past decisions took too long to make.

In this chapter the writer has analysed the interviews of workers who were participants involved in the workplace initiatives at Weddel's Tomoana plant, and used the defining characteristics to arrive at a conclusion.

In the next chapter the writer will analysis the interviews of union officials who were participants involved in the workplace initiatives at Weddel's Tomoana plant, and will use the defining characteristics to arrive at a conclusion.

## Chapter Six: Unions at Tomoana

### 6.1 Introduction

Union involvement in workplace reform in New Zealand and internationally is uneven. A number of examples of this unevenness can be cited; Perry et al (1995) highlights a low to moderate union involvement in the New Zealand companies; the United States of America's Department of Labour's Office of the American Workplace's Project has a low union involvement in 'best practice' companies that are registered with them. Research is still at an early stage to give a definitive reason why. But there does appear to be a number of recurring characteristics; the different industries that unions cover, labour legislation, the desire and willingness, or lack of, by unions their members and their officials to become involved.

At Tomoana these characteristics did appear in some form or other. The National Office of the Meatworkers Union of Aotearoa did not have a policy on workplace reform at the time of the research, however there were moves afoot to introduce guidelines to this effect. The meatworkers union at Tomoana, because of the degree of autonomy that it held, was able to introduce the changes discussed above with a certain degree of independence. The local union shed president at the time of implementation was a strong advocate of TCS and recognised that the company had to introduce the T2000 measures even though he wasn't entirely happy with the later measures. The newly elected shed president up to the time of closure was not happy with the company's approach to TCS, OSH and some of the measures of T2000. He also felt that the union had distanced itself from the members and he wanted to reunite the workforce. The elected secretary of the local shed gave a more guarded approval to the changes but felt in the end that everything was driven by management and the union had little say in the implementation and the running of the T2000 changes.. The elected meat workers' union delegates were not united on the introduction of TCS and this became more obvious when the new employment contract was negotiated. Some of the workers interviewed felt that the shed union regime under the deposed president had distanced themselves from the rank and file over a number of years.

This may have been one of the reasons why there was not a larger degree of support when the employment contract was put to a vote with only a 2 percent margin to support the contract.

A senior official from the Head Office of the Meatworkers Union of Aotearoa was called upon from time to time to give advice on matters of a technical nature and to assist in the negotiations of the Employment Contract. Another official from the head office of Meatworkers Union of Aotearoa was not happy with the way that Tomoana was approaching the reform process but nevertheless was a supporter of workplace reform if it was done in a more cooperative style.

The maintenance trades union delegates at Tomoana were not convinced by the company's proposals. There was a great deal of distrust, because they saw their members being made redundant before and after the introduction of the changes at Tomoana. Their work had been deskilled because of the introduction of contractors and there was a lack of enthusiasm to rush and repair key pieces of machinery that had stopped operating. The trades delegates on the various committees had no mandate to agree to anything the members said. The delegates were there with observer status only.

Of the unions at Tomoana the Engineers Union is one of the unions with the most exposure to workplace reform measures but they had little influence in the process at Tomoana. This was mainly because of the size of membership they held at the plant and because the company was used to dealing with the meatworkers on everyday matters. The advice that the local union official gave to the company usually went unheeded, much to his annoyance.

With this degree of uncertainty from all quarters of the unions involved at Tomoana this chapter will look at the participants involved and demonstrate that not all unions were prepared for the dramatic changes to the workplace. Also the president didn't have the confidence of his members who were not prepared to tolerate union officials who are either perceived as getting too close to their employer and not acting in their best interests.

The defining characteristics are in the conclusion. The reason for this is that in the body of the analysis, the defining characteristics appear more than once, and it would be impracticable to sectionalise the analysis .

## 6.2: Analysis

The president of the Tomoana meatworkers union at the time of the proposed changes had been in that position for 13 years, progressing from the freezer department to his current position. Ken, had always taken the view that there had to be a way of getting the meat industry to change the mentality that it was locked into.

We have got to get out of living in the syndrome to the 50s and some are finding it extremely difficult to get out of. This is because of the meat industry and the mentality within it.

To the company's credit, Ken was included in the process of change once the initial corporate office decision had been made to proceed with TCS. He and the shed secretary were on the Workplace Consultative Steering Committee (WCST) to oversee the restructuring of Weddel. There appeared to be a difference of opinion between the shed president and the secretary about how much influence the union actually had.

Ken;

The union was party to designing it. It wasn't a management design-it was a 50% union thing as well. That is all the unions on site. To get it off the ground you had to change the rules you played by, particularly work practices and conditions.

Ron, the shed secretary;

The WCST was seen as a management controlled thing. Decisions still lay with senior management. Anything over a certain value had to be sourced from Wellington.

An official of the Meatworkers Union of Aotearoa was concerned with the make up of the WCST and T2000 committees because he argued that it is very hard to separate industrial matter when costs kept being raised.

Tony;

That's the problem you run into when you try to marry industrial issues into these sorts of issues. We have gone to great pains to try and keep the two divorced. Unfortunately the workers keep bringing them back together and they say if you want to take money away from me how can you have workplace reform? We kept saying you can, but you have got to keep them separate and we had a hell of a job with management to say, look you have to keep industrial issues out of these issues, but they kept dragging them back in.

This demonstrates the difficulties that different officials of the meatworkers union were having with the implementations of the changes at Tomoana. As is mentioned above, Tomoana was seen by the Union as the plant that was always willing to attempt new work practices and the Union was always sceptical of anything the shed officials at Tomoana had agreed to.

Tony;

My experience with Tomoana began even before becoming Secretary, and this is my sixth year as Secretary. I was on the executive with the shed president and secretary and Tomoana was always a shed that was picking up new company initiative type arrangements. I can give you an example. They introduced Method, Time and Motion (MTM), where every other company in the meat industry opposed the concept. This union employed an MTM consultant and that person was to go around all the plants that had introduced MTM to make sure that the companies weren't ripping the workers off. The workers saw it as another vehicle to trim out labour and increase productivity

without any real gains going to the workers. So that created some scepticism of the officials at Tomoana.

Another area was team briefings that was not receptive by this union and its members. But the officials at Tomoana thought differently.

Tony;

These team briefing (t/bs) sessions had been going on for 3 years. All the workers used to hear what the company had to say. I think this was about 1990 and we were in the final throws of trying to settle our award. Soon after we had finished our shed meetings and Tomoana was the only plant in the country that had significant t/bs, the company immediately put out its propaganda through the team briefings sessions on the award negotiations. The workers said, "That's it we don't want any more team briefings". There was a general rebellion, particularly at Tomoana. They didn't want any of this, they were not prepared to go to team briefings to hear our unions get run down and why we are not going to get a wage rise. After a series of meetings on the plant over 48 hours, team briefings was rejected.

The reason that the Union gave its tacit support to the measures that were being introduced at Tomoana was that there was a high attrition rate at Tomoana. The figures showed a twenty percent turnover in staff, stock numbers were dwindling and Tomoana was struggling to maintain its share of the market. If the company could retain a stable staff turnover rate and stock rate then the Union was prepared to support these measures.

Tony;

The Union gave the job of overseeing the project to the Union President. His job was to advise the Tomoana shed and liaise with the company.

The Union was prepared to recognise that certain individuals within Weddells were prepared to consult with the unions involved in the meat industry. The Chief Executive Officer (CEO) was the one person who came in for a lot of praise from all of the union officials interviewed.

Tony;

The CEO did the right thing by consulting all the relevant unions and doing it the correct way and we have to take our hat off to him.

Ken;

I believe things only started to go off the rails when the CEO retired. Up to then he was prepared to listen and consult.

However the new president of the shed felt that the CEO was not being informed of what was going on. According to this official, the middle management and some senior managers were not reporting the truth of the matter about TCS. They reported all was well, when in fact it was not working the way it should be.

Gary;

It was initially the CEO who was driving it. But things changed, and Tomoana's management took over the TCS programme. I think they thought as long as the CEO gets good reports, and the product was getting processed, the CEO would be none the wiser. The workers knew this wasn't the case, and as union president, I raised these concerns in several letters to the CEO. Unfortunately I got no replies.

These concerns, according to the union officials, were not appearing at the introduction of TCS when the workforce were being put through the courses relating to the philosophy of TCS. It was in the mechanics of applying those philosophies in the workplace that questions were starting to be asked by delegates at board of control meetings and that the sincerity of the company towards TCS was in doubt.

The past president of the local shed believed that there was a lot of distrust from all sides.

Ken;

There was a tremendous amount of distrust. You could see an undertone coming within the union as well as with delegates. Instead of doing their job to represent

people they were imposing their wish upon the people. This manifested itself by slowing down the process. It definitely was not an open minded issue as a lot of people had closed minds.

The Union secretary became concerned when he heard similar comments.

Tony;

I was starting to become alarmed when I heard that the Tomoana plant along with other Weddel plants were using the term Total Chicken Shit for TCS. Now if you want to win over the staff and get their cooperation and you hear comments like that it did not bode well for Weddel.

The new union president at Tomoana was even more scathing of TCS. He can remember being in several board of control meetings as a delegate.

Gary;

That is why I am saying when TCS was brought in it was going to be a change for the workforce. We are actually going to work as a team in this place. However after about a month and a half into the philosophy of TCS we started to question the sincerity of the company. At our board of control meetings every delegate was saying that TCS was Total Closure Soon, or Total Chicken Shit.

Having laid out some of the difficulties that the meatworkers were having with the concept of TCS it would pay to have a look at the specifics raised. What the union did to sell the concept to the workers was to enforce the idea enshrined in the mission statement that spelt out consultation, cooperation, team work and problem solving.

Gary;

Based on the information that we got off the company we would say to our men, look they are now genuine employers so let's run with it and we can get these problems

solved through TCS. But we found as we went into the programme that all they were interested in was putting it down on paper and making it look good and not actually solving the problems that were there previous to the introduction of TCS.

Ken;

The workers weren't offered anything. They were taught a philosophy. They were given a chance to understand it. Unfortunately there were a lot of faux pas made. You had people doing things the old way instead of doing it the new way. Instead of giving people instructions and asking them for ideas you still had them ruling. I am talking about the management side. Statements were being made which were bloody ludicrous. There was still a certain amount of the secret society there. The workers are very good at picking it up. They picked it up and exposed it.

The Works Manager and the Operations Manager came in for a lot of criticism from the union. The union questioned their abilities to change overnight. Neither of them, according to the union, had a good record of staff relations and this made the workers sceptical.

Ken;

The Work Manager was asked by a worker at a meeting on TCS, "do you think the plant at Tomoana is viable?" He replied, "how long is a piece of string?" Now I ask you, how the hell are you going to get cooperation when you get answers like that?

The same goes for the Operations Manager. He was not receptive to meatworkers delegates especially from the larger departments.

Tony;

There was a dispute at Tomoana within 3 months of him arriving there where he sacked half the chain. I'm talking about 150 workers. At the end of it all he would only employ back those that had good records. It turned out there were about 15 workers and the mutton delegate were not reemployed. We had to take all those to dispute. We had an out of court settlement of \$40000 for the delegate. The other 15 we either got reinstatement or cash settlements. The problem stemmed from the delegate being

sacked and the refusal of the workers to obey a command to return to work. It was common knowledge that the OM was behind that. Since then there was a whole lot of other instances that the OM got the knife pointed at. It was the OM who introduced the 95% attendance thing.

The attendance issue will be raised below.

Gary;

The Operations Manager would never be able to be involved in TCS for the attitude that he had towards workers. An example. We had problems with the wide cutters on the chain. This is what is used for opening up of the brisket to skin it. They would be driving down with their knife and the 4 legs would be kicking the knife out of their hand. His statement to the full steering committee of the mutton butchers is, "if you have got problems up there, send the big burly butcher down, and I will sort him out, and if I can't, I will sack the prick." That sort of attitude didn't work. They had these people with management skills only and no people skills. Here they were trying to push TCS which is a peoples skills philosophy.

What the above demonstrates is that all was not well at Tomoana before and after the TCS. The delegates felt that the shed president was rushing into a system that was expecting the foremen to change their attitudes overnight and that upset the workers in those larger departments (mutton slaughter board and beef boning room). Admittedly, those departments are the most difficult to manage with the noise, dangerous working conditions and the constant pressure to process the animals.

William;

We were concerned with the way that the president was pushing us towards accepting the idea that management will change when we kept saying that the guys are not happy when

they are expected to be part of a team and the foremen are still carrying on the way that they have always been.

The president was under a lot of strain and he was becoming frustrated with the foremen as well. He can remember going to the Operations Manager and laying out these concerns.

Ken;

Some of them just could handle it and it became very clear quickly that they still had the master attitude and there was nothing in the world that was going to change it. And they weren't going to change. I can remember going to management several times on industrial matters. This was suppose to be TCS, what the hell is going on? This particular person was making decisions, there was no consultation. However there were more foremen that grasped TCS than didn't.

However the previous shed president was less than kind towards those departments' workers.

Ken;

There is no doubt about it, I found it rather difficult. For instance in some departments it was very good. For instance, the beef side they were prepared to cooperate and did cooperate. I'm talking about the beef house. The boning room was very difficult to deal with because of the people sitting at the top within the union side. They created confusion and thus confused the workers. On the mutton chains they are a different breed of worker. In essence you couldn't talk sense to most of those people. They saw themselves as the power within the meat industry, you could say the prima donnas of the industry as far as I was concerned. I am very disappointed in mutton slaughtermen. They were masters of their own destiny at the end of the day.

The problems that had developed during the TCS philosophy stage were going to be significant because of two issues. One of these was the T2000 committee and the other was the May 1993 announcement. The T2000 committee, as far as the unions were concerned, was the cost saving arm of TCS. This opened the divisions between management and the unions. The

trades group was to be the most vocal in so far as they believed that they were being singled out as the union group who would be the victim of the cost saving measures that were being proposed by management. This was mainly the issue of multi-skilling where they feared that the meatworkers would be able to do some of the work such as on the pre-check before the chains started. This, according to the company would save them a great deal in wages. The meatworkers were also having difficulties with some of the proposals, such as the clean up at the end of the day and pre clean before the work started for the day where contract cleaners were to be brought in. Now this was going to affect the labourers who saw this as a way of making that little bit extra in their pay. Neither proposal was successfully resolved. The multi-skilling was used in areas that didn't affect the trades people and the cleaning was still done by meatworkers but new methods of application were used.

Ken;

That was structured to come up with ideas to save money. That was its sole purpose. Most of the ideas, and I want to make it clear, came from management. It fell flat on its face, as there were things that they were trying to take that we could not accept as a negotiable factor. That had to become part and partial of the work conditions negotiations.

Ron;

In the T2000 committee a number of issues were raised usually by management. They were not just cost cutting matters. We looked at multi-skilling. For example, if certain areas had a minor fault, why wait for a fitter? Meatworkers could fix those problems. Fitters saw this as a problem. We didn't. It wasn't accepted. But in certain areas it goes on anyway.

Simon;

Look, I kept telling them, if you want to lock the trades people into your scheme of things then stop trying to alienate them by trying to introduce cost saving measures. If you don't, then we don't want any part of it. We argued for eighteen months over

issues that we as union people had no power to make decisions on redundancy. In the end I became so frustrated that I threw my arms in the air, "look I couldn't give a stuff, you are the management, that is what you get paid for so go ahead and make the decisions that head office want you to make."

Well that is exactly what management did. As is mentioned above, the Works Manager announced the proposal to the unions and senior staff several hours before all staff were informed.

Ken;

We knew that the T2000 committee could not reach any sort of agreement. He said at one of the meetings, "we are going to have to come up with something that is substantial to get these costs down. Then, after several months, the GM announced to the committee, "we have had people coming up with ideas, and we are going to implement a range of measures to improve the cost structure at Tomoana". The request we made was, "before you announce these you had better let us know what they are." Therefore an hour prior to making the announcement we were told.

The president was not surprised.

Ken;

What he promoted was no surprise because at some stage during the committee decisions most of the issues had come up. You would have had to be a dim wit not to have picked up in those nine odd meetings of the T2000 most of the things the GM had bounced around.

Ron;

The GM, without consultation with the union, put forward a number of issues that they wanted. Costs were not reducing fast enough and there had to be a number of

radical changes to the workers' terms of employment. These were, major changes to overtime, elimination of allowances, reduction in the hourly rate and a number of staff were to be laid off.

Gary, summaries the reaction thus;

Stunned. Shocked. They had put their heart and soul into TCS to get it up and running. Then to come along after they said, we are a team, we will consult and work together to get this place up and running, then come in with pay cuts. The people were shocked at the company to have a go at us like that.

After the announcement in May 1993, the meatworkers union and Tomoana management sat down to negotiate the employment contract that would apply to specific issues pertaining to the plant. The board of control selected the president and secretary of the shed and 4 delegates to represent the Tomoana workers. The head office of the Union was represented by the President, whose status at the negotiations was only to advise.

The issues that the company put forward were far ranging from positive to negative items. On the positive side there was commitment by the company to implement a skills based payment system within 12 months and a move to a team based working environment with team leader and team captains. The captains would be nominated by the workers and then appointed by management. On the negative side there was an overall reduction in wages of thirteen point eight percent (13.8%). There were changes to the overtime provisions, loss of travelling time and a tightening up of sick leave and ACC. The union did not put in counter proposals until the negotiations got under way.

Those interviewed felt that the company was in the driving seat and the threat of closure hung over the negotiations. There was an acceptance from the President that something had to be done.

Ken;

My personal opinion is that I knew the state that the company was in. That is Tomoana and Weddel NZ. I knew they were in deep trouble and something had to be done to rescue it. So anything said to me was not surprising. As far as the negotiations were concerned they were not negotiations. I see negotiations as give and take on both sides. There was no give on the part of the company. They had to take, there was no alternative. They had to rescue the company. It made it very difficult for the union advocate and the members involved in those talks. I use the word "talks" rather than negotiations.

William, a delegate and also on the negotiating team:

It was a no win situation. The company kept saying, "this is what we want". What is in the document is what you see. It wasn't negotiations, just talks. We tried to ease things and take it in progressive steps. They kept saying to us, "if you don't settle, the place is going to close", and this kept getting rammed down our throats.

The negotiations took two months to complete. After the first month the shed president took the deal to the workers with an all up meeting of meatworkers at Tomoana and the agreement was rejected.

Ken;

We put it to the workers and it was understandable that they rejected it. The settlement was put up on a big board and we went through it with them. This took about an hour. When you have 30 odd clauses to go over in an hour there is no way that you can expect someone to understand it within that time frame. It created one hell of a confusion. The money side was the thing that they took total exception to along with some of the clauses. For instance the clause on absenteeism.

The company, as mentioned above, took a tough stand in negotiations and the president became very critical of his members on the negotiating team and a large section of the meatworkers for not understanding the predicament of the company.

Ken;

There was really nothing they could offer. They were fighting for survival and the shed secretary and myself knew that and it had been very clearly spelt out to the union representatives that were at the talks. They had nothing to give. It was a matter of take and we had to settle for what we could keep and get on with the job. Not just taking the wage cut but we had to get on in a cooperative manner and unless we did that and get that message across we were not going to survive. Unfortunately some of those people on our side who were on the negotiating team had tunnel vision. One particular person who had a responsible position sat on the fence. Look, when you are in this position you had to make a decision one way or the other.

When the negotiating team went back to the members with a proposal by the president of the shed to accept the company's offer, and also with a letter from an independent account saying that the company was in dire financial difficulties, the members were very critical of the president.

Ken;

When I announced at the second meeting that I supported it I got treated with absolute contempt. I was told that I was selling them down the tube. This didn't worry me as someone had to show leadership and that is what I tried to do. However prior to that I never told any one of the delegates, and there were 22, how to vote. 17 voted to take the changes and I protected them right through. I didn't want them castigated by the membership so I took it on the chin. I instructed them not to show their hand in any shape or form. Unfortunately 2 of the people who were on the negotiating team to their own self gain and egotism took the sides of opposing it. But 17 out of the 22 supported the changes to the contract and the new working conditions.

The reason for the close vote for accepting the contract was that the larger departments had a large proportion of senior workers. They were going to be one of the biggest losers and they

thought that there was going to be a loss to their seniority with the skill based pay system. The other criticism of the larger departments was their individuality from the rest of the plant.

William;

Look, the boners and A grade beefies and the mutton slaughterers saw most of these issues in a negative light. They were long serving workers who saw their seniority at risk and they tended to suffer from tunnel vision.

The issue of absenteeism was a contentious matter. The company believed that they had to do something about the absenteeism rate in the larger departments which was exceedingly high but not unusual for the industry. It was agreed that workers had to be at work for more than ninety five percent (95%) of the season. This was intended to create "good citizens" out of the workers and make them face up to their responsibilities. However certain team leaders were using it to punish certain workers and in an industry that has a high absenteeism rate because of minor accidents it was going to be a hard clause to pursue. In addition to the 95% attendance there was the thirty (30) day clause which stipulated that absence from work for more than 30 days because of accident or illness could result in loss of seniority or dropping to the bottom of the seasonal workers employment list or not coming back at all. This was perceived as a punishment by some workers.

Tony;

It was not only there to make the workers aware of the time off but it was to stamp out any time off. It was more of a whip approach in introducing the 95% rather than a genuine approach. I think a lot of workers were seeing through that.

William;

The 95% attendance rate again was targeting the abusers but the T/Ls in the end were using it as a form of disciplinary charge. The 30 day clause on absenteeism was targeted at the abusers but it was used against some innocent workers. This clause caused us a lot of trouble to convince the members who it was aimed at.

Gary;

The 30 day clause and the 95% clause were abused by the company. Workers were too scared to go off work. There was the alternative work clause which saw workers who were injured put on light duties. It got to the ridiculous stage of one guy who had a broken leg and arm sitting in the back gate taking down the numbers of the trucks that went through. I think the drive there was to get the ACC premium down. It was little things like that which destroyed TCS. After a while they realised that they made a fool of themselves and canned the programme. It got to the stage if you wanted to get out of the plant you virtually had to chop a finger off to get out the gate. There were people with 8-10 stitches in their hand still on plant. Our argument from the union was that they are still in shock and should be at home. Because of the wage structure and dropping down to 80% of your pay a lot of guys went back on the job. You had guys bandaged up trying to work on their job. All this was happening after the contract in May 1993.

The other issue was the skilled based pay system. This never got beyond the developing stage and the fault would appear to lie not just on the employers side but also on the meatworkers' side. The most critical were the Engineers Union who believed that it was ridiculous of the company and the meatworkers not to enter into a formal agreement which the Engineers Union wanted the company to do.

Albert, the local organiser of the Engineers Union;

I believe this was the whole problem at Weddel as there wasn't a total buying in of the whole process of reform. The senior management at Tomoana and the senior level of the union on site thought it was the best thing since sliced bread. Unfortunately, there wasn't a buying in from all the workers and at corporate level. This is a must, if you are going to implement a workplace reform process. I think they were going down the right track and they were starting to see some results from their reforms. I think if they had a strategic plan they would have got here a lot faster.

To demonstrate how unprepared they were, WPNZ ran a skills based payment seminar and Weddel took along 16-20 staff. At the end of the 2 day seminar they made a decision that they didn't think that they were ready to buy into skills based pay. Yet this was one of the things that was behind May 93 agreement which was going to train people and reward them for it. Here they are 12 months later going to a seminar wanting to learn about skills based pay and finding this all too difficult. We will go back to doing something different. They paid \$500-600 per person to attend.

Gary;

The way that I saw it was if you acquired the skill over and above the one that you already had you would get a payment for that skill. That is how Interlock saw it too. That was the way that they paid their employees.

But Weddel saw it a different way. If you acquired that skill all well and good. But you only got paid for that skill when you used it. What they were saying was that they wanted everyone to be multi-skilled but with no extra payment. Say if I was a beef butcher then I went across to be a boner I would only get the rate while I was on that job.

After we had been to the Interlock seminar, senior managers turned around to us and said the way that Skills NZ is run we can't see it ever being in place at Tomoana. It was dropped from there on in. We never had another meeting again because they saw it as a tool to drop our wages and we saw it as a way to increase our skills and possibly increase our wages. Once they had been to the seminar they said this is not us. This is going to cost us too much money.

We had 9 months sitting on that sub-committee on skills based payments. It was unfortunate but when we saw how the company was operating at these meetings we sat back and listened. We were not participating.

The concept of teams and team leaders and captains was supported by the meatworkers union as this was a chance for the workers to have some influence into the way work was managed in their areas. However this was not to be the case in the larger departments. On the mutton slaughter board, the design of the chain system did not lend itself to a successful team operation because of its continuous nature. Some of the team leaders were still practising the old methods of control rather than cooperation. Some of the workers were not prepared to become part of the team concept, and this had the effect that no one wanted to become involved, mainly because of the fear of being ostracised. This concerned some of the union officials.

Ken;

I could see the need for change and to get the cooperation base you had to change the whole structure. The management structure needed a flowing effect rather than this stop start effect that it used to. The team leader/captain concept did have a flowing process. People were lifted up and put into positions when someone was away. It was a sensible way of doing things. The sharing of knowledge of running the department was right in front for people to see. Look right down to unit costs. However there were still those arse holes of team leaders that the company didn't get rid of and this was causing problems. However some of the hotheads in these larger departments didn't make things any easier. They bucked the system and it made my job harder.

Gary:

It was to get rid of management staff. It was to get rid of the management structure. The drive was to cost savings. They took away a team leader who was on around \$37000 and banged in a team captain who was on twelve dollars per hour. Unfortunately the guys that they got were only the ones who wanted to climb the ladder and be a team leader and not a people's person. It should be someone who should be respected. The contract said that the team captain should be picked by the workforce as they have to consult with the workforce. We put forward guys in areas but they were never taken up by management. They took the ones they wanted to take.

After the contract was negotiated the morale at Tomoana was at an all time low. There was a reluctance to get involved with TCS and at the same time the shed secretary and president were up for the annual elections. For the first time in a number of years both positions were to be contested and the president lost his position to a delegate in the boning room. The losing margin for the president was considerable. However the shed secretary managed to hold on to his position by a slim margin.

Gary, the new president.

I stood because of the way that workplace reform was coming into the place. It was looking good on paper, it was looking good in theory. But there was no actual follow-up. To me, I called it window shopping. When you got down into the workplace it was impossible to enforce. And I say the word enforce because that is what they were trying to do towards the end. I believed we were being led by the nose. The shed union was losing contact with the members. Look, at where the union office was situated. It was as far away from the workforce as you could imagine. I preferred to get down amongst the workforce. Anyway the president had been in the job for thirteen years and he tended to take a dictatorial approach. Look, the members wanted to be part of the union but the union didn't want to be part of the workforce.

Tony;

Unfortunately the president advocated a company position which the workers were not at all happy about. There were quite decisive changes to their working conditions. A lot of the working conditions didn't need to be altered simply because they were non-monetary. My understanding from the workers was, that he went over the top in agreeing to many of the reductions that had a non-monetary component. Obviously the Secretary was co-official and advocated some of these changes. However I think the Secretary took a more middle of the road line and survived.

Ron;

I guess the president was looking after both sides but he was certainly concerned for the workers job security. Also, telling some of the workers' the home truths about themselves didn't go down too well.

Ken, the out going president;

I guess when you tell some home truths you get punished.

### **6.3: Conclusion**

The union officials that were interviewed supported the concept of TCS but became divided over the mechanics of implementation. The T2000 announcement made matters worse. They appeared to be at a loss how to deal with the management's intransigent approach to the contract negotiations. There were divisions within the meatworkers union with this approach and the president lost his position mainly because of these changes. The trades group members were not interested in participating as they felt that their positions were under threat. The identifying characteristics of workplace reform from a union point of view are displayed in moderate form.

#### ***Defining characteristic test***

##### **The contract**

The union supported the changes that were going to enhance the job security of the workers. However there was a clash between the ideology of the president at the time and the rest of his organization. The new President and many delegates felt that the company was not being true to their word and were using some of the clauses as disciplinary measures.

**Job redesign**

Not all union officials were convinced that the team concept was going to work while the same leaders were present. This of all the areas caused the greatest concern to the new president and while it was agreed that in the smaller departments it was working, in the larger departments this was not the case. Again they appeared powerless to do anything about it.

**Orientation to improvement in product in service.**

The initial push from the previous president for a better way of providing a quality product had run out of steam by the time the workers had time to digest the contract implications. The new president believed that it was fine on paper but applying it in practice was another issue.

**Pluralistic working environment**

This was an issue that most felt strongly about. The freezing industry doesn't lend itself to including the unions but when an opportunity did arise to become involved as a recognised party the previous President jumped at the opportunity. But once the issue of cost saving came back in and the wages were reduced the other officials felt betrayed. The previous president admitted that the contract negotiations were totally led by the company which didn't allow for constructive discussions.

**Training and skills formation.**

This was an area where the union would have liked to pursue but the major component was blocked because of the lack of funding. The company, however, didn't balk at providing funds to get the philosophy of TCS across to the members.

**New management tasks**

This was an area that had potential, but because of the structure of the plant and the long serving managers, all union officials believed that it was a near impossible task to get management to change their old habits of control. However they were aware that some of their members weren't helping matters.

In this chapter the writer has analysed the interviews of union officials who were participants involved in the workplace initiatives at Weddel's Tomoana plant, and has used the defining characteristics to arrive at a conclusion.

In the next chapter the writer will analyse the interviews of external participants on the meaning of workplace reform. These external participants are spokespersons, on workplace reform, for the various organizations that they represent. They also have some knowledge of the meat processing industry.

## Chapter Seven: External Participants

### 7.1 Introduction

The discussion so far has centred on the participants directly involved with Weddel Tomoana. However it is important that a broader approach be included from participants who have some direct involvement nationally in the wider debate on workplace reform. It is also important that some of these participants have a particular knowledge of the meat industry from an industrial relations perspective.

The debate, as to the way organizations have structured their operations have pointed to a radical break with the past. According to its critics this has come about because the postwar boom of mass marketing, mass production and the mass political parties of social democracy had reached their peak in the late 1970s and are now in decline. Margison (1988) has described this period as the 'Golden Era'. Harvey, (1989) describes a similar situation

A vast literature has indeed emerged, from both left and right ends of the spectrum, that tends to depict the world as if it is in the full flood of such a radical break in all these dimensions of socio-economic and political life that none of the old ways of thinking and doing apply any more. (p.190)

There is diverse thinking on what is really happening. Some commentators would have us believe that we are in *New Times* and describe this break as Post-Fordism (Lash and Urry, 1987; Jarques and Hall, 1989; Matthew's, 1989, 1994). Followers of the 'New Right', believe there needs to be a complete break from past economic, social and industrial developments. Supporters of the 'flexible specialisation' debate (Piore and Sabel, 1984; Lane, 1988; Hirst and Zeitlin, 1991;) recognise that there have been changes to the development of economic, manufacturing, political industrial relations polices. This analysis has been roundly criticised, most notably by Williams, Cutler, Williams and Haslam, (1987), who condemn it because of lack of empirical evidence. The last grouping are those who would have us believe that nothing

has changed and that Taylorism and Fordism are still with us but in a modified form of neo-Taylorism and neo-Fordism examples are Parker and Slaughter, (1987); Pollert, (1991,1988).

Having laid out the theoretical arguments, the literature on what is really happening reveals no one best way for organizations to approach change in the 1990s, but what is emerging is a new vision of transformed or high performance work systems that have been emerging over the last decade. These work systems all appear to have an organisational goal of a quality product and service, a commitment to a highly skilled workforce and a labour/management relationship built on involvement and consultation. At the centre of the argument on workplace reform is the question of whether these goals are being achieved. To ascertain whether this is being achieved the author approached a senior member of each of the New Zealand Employers Federation, the New Zealand Council of Trade Unions, the Meatworkers Union of Aotearoa, the Engineers Union and Workplace New Zealand, a voluntary association of employers and unions promoting the ideas of workplace change.

The interviews demonstrated the diverse opinions of what constitutes workplace reform. Two of the participants believed that workplace reform was an inappropriate term to use and they equated it with such terminology as 'the flavour of the month'. The New Zealand Council of Trade Unions had a problem within their organisation about what constitutes workplace and were ambivalent towards the concept. However the person interviewed within that organisation was a firm believer in the concept as long as workplace reform had worker democracy at the centre of change. The informant from Workplace New Zealand was committed to workplace reform but was concerned that not all employers and unions understand what workplace reform really means and with the attendant problems in getting them committed to it. Employers, it was felt, were more interested in methods that would guarantee them marketing success by introducing quality programmes such as Total Quality Management (TQM) or International Standards Organisation (ISO) certification as one way of assisting in that process. The majority of unions, it was felt, were suspicious of methods that may exclude them from the process. The participant from the Engineers Union was supportive of any method that was

going to improve the worth of their members, especially if the union had a major say in the consultation and implementation process, improved skills and pay, job security and better promotional prospects. The employers representative didn't believe that workplace reform was worthy of the attention that it was creating. That person justified this on the basis that since the passing of the ECA a more enterprise based environment has been created. Arguing that the collectivist, centralized way of doing things are gone and organizations now have to become more self reliant. This has forced enterprises to communicate with everyone in the workplace in order to build a better workplace and each enterprise will work out how they will apply these concepts. The meat workers representative believed workplace reform was a fallacy in the sense that the two parties (employers and workers) had competing interests. The former was there to make a profit and keep costs as low as possible. On the other hand the latter wanted a decent return on their labour. Also giving workers a degree of autonomy in the workplace was not seen as genuine industrial democracy but more of a deception.

The first section of the chapter will endeavour to establish the participants' meaning of workplace reform. This is followed by the reasons they support or reject the concept of workplace reform and whether they thought workplace reform was a viable option to the present way of operating a business in a deregulated labour market.

## **7.2: Meaning of workplace reform.**

This created a great deal of discussion from all participants and their understanding of the concept of workplace reform was diverse. This could be attributed to the organizations they work for, as well as their values and beliefs on matters that pertain to organizational change and/or to ideology .

The Employers Federation representative (EF);

Workplace reform is a misnomer. But as such it is going to give people a view that there is a change within workplaces, then it is as good as any I suppose. What it means to me is that my definition would be a heightening of communication to make

sure that all people within a particular workplace have a good understanding of what their part in the particular enterprise is all about.

**The official from Workplace New Zealand;**

For the first time in economic history an interesting situation has arisen where employers are requiring a much more active participation in the involvement and motivation of their workforce if they are going to meet a rapidly changing competitive requirements.

**An official from the New Zealand Council of Trade Unions (NZCTU);**

Workplace reform has many channels, therefore it is hard to pin down an exact meaning. Unfortunately the NZCTU is a bit ambivalent to be frank. Essentially workplace reform comes from the view point that in a deregulated economy and in an economy that is being more and more integrated into a regional economy that is influenced by emerging global power blocks that the agenda for unions has got to be much wider than the narrow base of wage outcome that used to be essential means and the principal concerns of union movement in the old regulated environment of the past.

**An official from the New Zealand Engineers Union (NZEU);**

A simple definition would be a methodology to look at a cooperative method of change which advantages all parties. It is not a method of capitulating to the boss.

**An official from the Meat Workers union;**

Workplace reform is putting it, I guess simplistically, that it is based on the idea that workers and employers have got the same interests and therefore they cooperate together and therefore both parties will be better off. I don't agree with that. There may be a modicum of truth in it. But to make that bald statement as some advocates of w/r do, there is some strong evidence to the contrary. Obviously there is an identity of the interest between workers and employers to agree. If the workers didn't have an

employer then they wouldn't have a job. The same goes with an employer who needs workers. There is also an identifying interest that the employer and shareholders needs to make a profit. Look it's built on a fallacy.

What the above demonstrates is that everyone has a different opinion of what workplace reform is. However what did come out of the interviews was a shared belief that the whole approach to work and the way it is performed is changing.

The Employers Federation don't like the word reform as it meant what you were doing in the past was wrong.

EF representative;

Reform makes it sound more like a reform school in that you are being trained how to change from what was implicitly bad to something that is implicitly good. I don't accept that. I think it is all too easy to look back and be critical about how things used to be done. But that was the way that society developed in those times. We are talking more about the collective, centralised way of doing things which simply didn't allow for many of the current day philosophies to be put into practice. That is why the Employers Federation believes that the ECA was crucial in breaking the shackles of previous labour legislation that became so inhibitive and this allowed all parties to explore new ways of operating their business.

The other participants did not have a problem with the terminology. They were more concerned with how workplace reform was interpreted by the parties, although that is not to say that the Employers Federation wasn't concerned. They were the only ones to believe that the ECA was the catalyst to the workplace reform concept. They also believed that workplace reform is part of the evolutionary process of change and saw nothing unusual in the concept. However the officer from the New Zealand Council of Trade Unions was most critical of the union movement for not being proactive and for an on-going reliance of the contract/award as

the corner stone of their activity. The ECA actually freed the workers and the union was no longer the determining factor in the employment relationship.

Official from the NZCTU;

A hell of a lot of our unions have still got the mentality that we have to get a contract. The contract is less relevant now. And that is the great mythology that has been imposed upon us from the ECA. We are actually stalking a monster that actually doesn't exist. The ECA has released workers in a way that they have never known before. They can actually decide and are not dependant on union bureaucrats. They are not bound by a 100 year old structure. They carry a lot of those experiences and many haven't been positive. The unions of the future must be ones that are the most creative and energetic thinkers and have the organization and leadership to go with it. They need to regulate the environment they work in, not be regulated. And this hasn't happened very often. There is an argument that the union movement became overly dependant on the state for most matters of workers' rights.

The Engineers Union would agree to a point that unions have to be proactive but they still have a strong desire to have an ongoing relationship with the members and the employer/s supported by an enterprise agreement. This agreement should be with a single site employer or an enterprise agreement covering a number of that company's activities or an industry agreement covering as many employers of a certain industry as possible.

Official from the NZEU;

It is a different mechanism that has been used in the past. It is no longer just a case of bargaining for an agreement. There is a changing environment out there. We no longer look at sitting down once a year. It is now a cooperative environment and we need to sit down with the employer and make sure that the members and the employer/s along with the union make the business profitable through a high skilled high wage workforce. In general terms we are out there actively promoting workplace

reform as a method in advantaging both the union members and New Zealand companies.

The Employers Federation do not believe that employers are especially committed to industry agreements. The Federation is of the strong opinion that if things are going to happen they would come from single enterprises rather than being locked into industry arrangements.

EF representative;

You can't legislate for changing peoples attitudes. You can't get in these various ideas of being able to identify yourself with a particular industry grouping. You can't put this in by the way of an award provision with a clause. It has to be on a basis that is embarrassed at a particular workplace. And how they do it may be very different from a workplace that is carrying out a similar operation just down the road because the people may be quite different. The way of communicating. What may work well at one premises may not work well at another. So very much in my view, it can only work on an enterprise focus.

According to the New Zealand Council of Trade Unions and the Engineers Union, that is why the meat industry is in the dilemma it is in at present. There is no coordination or loyalty between the companies. Weddels, the New Zealand Council of Trade Union's believed, was trying to improve the industry's way of operating in a global economy but they were battling with the rest of the industry.

Official from the NZCTU;

This is the problem with the industry. It is structural micro reform in one plant or one company. It didn't matter whether Affco ran Fortex or some other player, if you didn't shift the whole of the industry because what is the farmer doing? The farmers were sabotaging the base of the supply by the present sort of auction system where there was no farmer loyalty to Weddels or anybody else. They would take their stock this week immediately to a company that was offering 10c more. Now

the fact that they were looking for short term advantage instead of looking for a long term gain. They let the future worry about itself.

So that is why there isn't one solution to this industry. I have complained about the company not having a strategic vision about where it went to. The companies believed in a competitive society, it is about competing with your live processors. The Japanese have indicated that you don't compete with each other. You compete off each other, to blitz the international competition. You will not find a Japanese motor company operating in a country where there is not another Japanese motor company. Now why do they do that? Because they benchmark off each other. They say we will participate in this contest of innovation and a price of quality off a competitor that we know is there continually to drive us. That is the only way that they can stay ahead. So the security of the industry is moving that frame work of values so that they become industry standards and not plant standards.

Official from the NZEU:

This highlights also the meat industry dilemma where an individual firm like Weddel was trying to sort out its problems single handed where in fact it is an industry problem.

The Employers Federation point out that meat companies are doing their own thing which reinforces the belief that workplace reform will remain in the domain of enterprises. This clashes with unions who believe that workplace reform to be successful must have at its base an industry structure. That is not to say that employers must adhere to strict industry guidelines. The Engineers Union have a firm commitment to skills and training and to be successful there has to be industry commitment so that a uniform structure of skills are achieved. The Engineers Union point out that if employers want a highly trained and stable workforce then a national system is imperative and this is where Weddels fell down in their strategy for training their workforce;

Official from the NZEU;

What Weddel actually did was they said we cannot wait for a lot of things to happen such as national training and national qualification but we need a high skilled workforce. I have no problem with that but they were not prepared to buy into a nationally recognised system. They wanted it to be Weddelised and in my opinion this is a short term strategy. If you are going to bring somebody in from outside then you have to turn around and retrain them to your way of operating hence the case for a nationally recognised scheme.

The meat workers union concurred with the Engineers Union that portability of skills is lacking within the industry.

Official from the Meat Works Union;

In the meat industry we badly need a system in place where the workers can gain further skills. Though the skills in the industry are limited. We do need some system where workers do see some form of promotion rather than saying I have just joined up and in the next 20 years I will be still doing the thing.

The dilemma with workplace reform in the meat industry is the conservative nature of employers, unions and workers and this will have a bearing on how far workplace reform will be implemented. The meatworkers union raised the issue of a payment system that requires results but the customer is demanding quality and a product that they want and not what the supplier will provide.

Official from the Meat Works Union;

The payment system remains a piece rate system but the market is demanding a greater quality of product not how many pieces of meat whizzes past your nose. How can you generate quality when you are paid on the speed of the work. I put this on employers and they say, "well that is the way its is". It is a very conservative industry. The bosses, the union and the workers are all conservative. So they all tend to resist change.

The Employers Federation would not agree with the above comments as they contend that the companies such as Weddel have always shown initiative and the process of workplace reform as far as they are concerned is evolutionary.

EF representative;

So, looking at the development and the final phase at Tomoana, it was very much an evolutionary process. Very much sort of building on what they had done in the past. And very much looking into the future and be open to any new idea that may come in.

An evolutionary approach has some appeal with the participant from Workplace New Zealand where according to him the concept of workplace reform is about to enter its second phase and this is the phase that will determine where workplace reform succeeds. But the participant does not talk about a history of evolutionary process within the organization but more a leader who is able to motivate everyone from position A to position B. In fact it is of a devolutionary process.

An official from Workplace New Zealand;

You are not going to get people making decisions in a more devolved workplace with just quality alone. Which is why those who have been leading and who have had some experience of quality systems and are now moving beyond that and are now saying how do get this flexibility and adaptability into your systems. This comes from the devolution of decision making and setting up of teams.

That means that companies who are prepared to devolve responsibility are going to require a culture that allows that to happen. Workplace New Zealand believes that you can still have quality systems in place and also have progressive human resource policies and still be a traditionally structured organization. But the culture of the company must have a number of key concepts.

An official from Workplace New Zealand;

- 1) **The people developing collectively.** A shared vision or a set of principles or values that they can all buy into. They don't conflict with their own individual points of view that conform to the basis of the organization. If that basis is done with integrity you can create a sort equivalent of a DNA. Then if you put that along side the next requirement.
- 2) **Full and Free Flow of Information.** That is giving people that information that they need to make decisions. In all areas and there is no restrictions on the flow of information. The information becomes the glue which enable to you to move beyond the linear or a small path to maybe a transformational sort of change.
- 3) **Participation.** That people participate effectively in decision making.

This approach is going to require a special type of manager who is not afraid of letting go of the control mechanisms that a lot have enjoyed in the past. This, according to Workplace New Zealand, was crucial to the mix and this is where the middle management are so important. They can either break the system or encourage it to grow.

An official from Workplace New Zealand;

Middle management and tradespeople who are the two most difficult groups in the manufacturing context, should be the groups that you should be starting to work with first. Because they have huge potential to disrupt and blow the whole thing out of the water. They need to be secured as allies which means that you are going to have some convincing strategies for dealing with what is going to happen to their jobs. What are their jobs going to become, rather than being cast out of the organization.

### **7.3: Conclusion**

#### **The Employers Federation**

The Employers Federation stated that there is no one system that you could call workplace reform but a heightening of communication to make sure that all people within a particular workplace have a good understanding of their part in the particular enterprise. The ECA, according to the Employers Federation, has at last broken the shackles of collectivism and this enabling legislation now allows employers and workers to explore new ways of operating their

business. The process of change is not something that can be started tomorrow according to the Employers representative. It is an evolutionary approach, looking at what you did in the past and building on that and receptive to new ideas.

### **Workplace New Zealand**

The representative from Workplace New Zealand believes that workplace reform is a devolutionary process and to get that process operating a set of fundamental processes must be in place first. The ECA was not seen as providing the means for this move. There had to be a fundamental change in the company's culture and set of building blocks and everyone buys into it. The isolation of crucial individuals such as middle management and trades people are therefore crucial to this process.

### **The Meat Workers Union**

Their representative believed that workplace reform is built on a fallacy. The stakeholders in an organization have different interests. Employers see labour cost and profit as their main concern. Workers see wages that reflect a reasonable return on their efforts, concern. Shareholders want a return on their investment. The meat workers union participant also believes that it is an illusion to expect that management are going to relinquish their hold on the organisation.

### **The Engineers Union**

The Engineers Union participant believed that workplace reform would not work until management and the workers/union are prepared to commit themselves to an agreement that locks all parties to a long term goal of a set of principles that suit all sides in achieving a cooperative success. It did not mean capitulating to the boss. There are two separate routes to workplace reform. One is the industry approach where a national standard of skills and qualifications are important and that all parties buy into that approach. From that each firm will then develop their own culture of cooperation and involvement. Second is the small business

that along with their workforce and hopefully the union attempt to change their policy on better working conditions and a safer place to work.

#### **The New Zealand Council of Trade Unions**

The New Zealand Council of Trade Unions (NZCTU) believes that workplace reform goes much further than just at the workplace. Its future will be determined by whether or not the union movement, and those parties that call themselves social democratic as opposed to free market parties can develop a model of management that has democratic themes and can operate in a capitalist system. Union officials can no longer dictate to their members how things should be done. They must allow the members to make the important decisions and use their union for advice. The NZCTU also believes that the management of organizations especially their directors have a long way to go in understanding what a partnership is about. They are still locked into the attitude of, I don't care how it is done just go out there and fix it.

What the above demonstrates is that everyone has a different opinion on the meaning of workplace reform. However the underlying theme is, "what is in it for me"? Therefore it would appear that unless that issue is addressed, workplace reform will not get beyond the starting post and will be rendered as another flawed scheme.

## **Summary and Conclusion:**

### **Summary**

This study sought to ascertain whether the concept of workplace reform was compromised by the closure of Weddel.

With the closure of Weddel Tomoana on 19 August 1994, the supporters of workplace reform may have been concerned about what effects that this closure would have on organizations, employees and unions that were contemplating introducing this concept. Would workers want to become involved with organizations that increased their expectations, when really workplace reform was only a plan to stave off the inevitable closure?

There is a degree of scepticism among the protagonists who believe that workplace reform is a contradiction in terms. They suggest that employers want to keep labour costs low and maximise profits, whereas employees want a reasonable return on their labour. Further, as long as shareholders want a return on their investment there will never be genuine participation and cooperation from either party. Also, raising workers expectations is a cruel hoax.

The advocates of workplace reform see this concept as a means to advance the organization's long-term goals of providing a quality product and service and thereby providing staff with job advancement and security with additional skills and pay. To achieve these means requires both parties to work in a cooperative and participative environment by involving all of the members of that organization. It requires the senior management to consult and provide the necessary information so that all parties are kept fully informed of the company's future direction and for workers/unions to be part of the strategic planning of that organization. The union representing the workers is a key contributor to the future direction of the company. But they don't see workplace reform as a rescue package for a company.

The concept of workplace reform is still an undefined subject, if the literature and the interviews are anything to go by. However there is a consensus of opinion from the literature that for workplace reform to be successful a variety of changes in the workplace must have a mutual benefit to all who are involved in the process ( Ryan 1995, Mathews, 1994, Enderwick, 1994). Unfortunately this is not happening. What various organizations appear to be implementing are changes that do involve a degree of participation and cooperation but the emphasis is on cost savings and external customer relations. Some organizations do involve their staff by starting off with the quality and problem solving issues and then progressing into job design and strategic planning. Ryan (1995) found these organizations a rarity in New Zealand. Most organizations appear to be dabbling with the concept of workplace reform and are reluctant to move beyond the quality and problem solving stage.

The question of labour/employee relations is an area that New Zealand employers believe they are committed to. However evidence presented by Ryan (1995) and Perry et al (1995) show that the initiatives are centred around quality and the involvement of unions is medium to low. The literature highlights that for workplace reform to be successful a labour agenda is essential (Cohen-Rosenthal and Burton, 1992; Mishel and Voos, 1992; NZCTU, 1992; Parker and Slaughter; 1988 ). In the United States of America the majority of organizations that are involved in best practice workplaces appear to be employer driven with very little input from the union. In New Zealand there is only a small number of unions who support the workplace reform measures. Unfortunately only a small group of employers are involved in skill formation and pay schemes linked to those skills and these companies tend to come from the manufacturing sector.

The issue of teams revolves around the type of work organization that is operating within the premises. The teams operating in most manufacturing sectors are ones that are management controlled. All appointments are made by management. Most decisions are made by the team leader even though there is input from the members of the team. The teams are put in place for a specific purpose and the most common are ones involved with quality and problem solving

issues. Job design plays an important part in how the team is structured. If the operation involves an assembly line then it is very hard to stop production and discuss issues that affect the job, whereas teams may have greater success where the job design has a less stressful atmosphere, such as with certain occupations in the public service where issues can be discussed in a team environment.

The employment contract is one area in which there is considerable debate on the effects on the employment relationships in environments of new industrial relations legislation, such as that which was introduced in 1991. Ryan (1995) argues that the Employment Contracts Act 1991 has placed the contractual aspects of the employment relationship at centre stage, and with union resources stretched because of the lack of funds, workplace reform may be a low priority for the union as the members may have other pressing needs affecting their employment relationship. However for workplace reform to be successful a contract of some form is imperative to commit both parties to a programme of change. Katz (1993) found that decentralized contracts were becoming the norm in organizations that were involved in workplace reform measures. The local officials of the union and management were free to negotiate and the head office of the union would be there only in an advisory capacity.

For these changes to be enacted in a meat processing company requires a very brave endeavour on the part of the company involved. In fact, one such company attempted to change the way they operated in the market. Weddel's Tomoana, one of New Zealand's largest meat processing plants with a workforce peaking at 1800 during the killing season embarked on introducing workplace initiatives. This had a two pronged approach. One was to improve the quality and the range of the product to the end customers. The second was to implement a series of measures that would reduce costs and improve job security and have a workforce that was multi-skilled and be recognised for that.

The meat processing industry is in a state of insecurity with well established companies having to close because of declining sheep numbers due to the loss of subsidies in the late 1970s, a

deregulated industry allowing smaller specialist plants to operate in the older plants catchment, restricted entry to long established markets, international hygiene regulations creating additional costs, an international decline in red meats and, finally, changes in the way meat is presented to the customer. Examples of this are the introduction of supermarkets overseas who are demanding that processing companies provide them with a specified cut of meat rather than exporting a whole refrigerated sheep carcass as has been the case, since the 'Dunedin' left Otago in 1872.

The role of the employers and unions in the meat industry has not been a harmonious one. It has attracted its fair share of attention from all quarters of society. A lot of the industrial conflict within the meat processing industry has been trivialised by the media. Nevertheless conflict has been prevalent in the meat processing industry and faults can be attributed to both sides. Studies that were carried out in the 1970s and the early 1980s demonstrated that the work itself attracted a degree of conflict because of the nature of the work. It is noisy, monotonous, dangerous and there is very little chance of skill enhancement. In the late 1980s and 1990s the conflict has taken a different form with job preservation as the central theme. This is because of the restructuring of the industry and the high number of works closures.

With these problems in mind, Weddel's Tomoana embarked on the process of securing a place in the market that would give a profitable return on their investment with declining stock numbers. As mentioned above, Weddels implemented this two pronged approach of a quality regime and cost saving measures. The company attempted to change the *culture* of the plant by providing a shared interest in the plant's performance and by moving management to a more inclusive and delegating role. The company attempted to change the *industrial relations* by allowing the union to be part of the change process and in, the initial stages, by keeping industrial relations separate from the implementation of the change process. The company introduced a consultation and information sharing regime which was a major step for a meat processing plant. These were the positive changes. The negative changes came in May 1993 and this was the down turn as far as the workers were concerned. After being introduced to a

more inclusive regime the workers took a thirteen percent wage cut as well as negative changes to their overtime and travel time payments and a tightening up on sick leave and ACC payments. There were staff redundancies in the salaried and maintenance areas (forty five), with an additional number of positions surplus to requirement.

The workers reluctantly accepted the new employment contract in July 1993, on the basis that the company would introduce a skills based payment scheme that would be implemented over the following twelve months. This scheme never got beyond the developmental stage and the company conceded that it was going to be too costly to implement. The company, however, had fully documented an ISO certification programme prior to closure and the OSH hazard teams were all in place as well.

Having laid out the important workplace initiatives at Tomoana the method of 'intensive interviewing' was chosen as the best way to elicit detailed material in order to determine whether the concept of workplace reform was compromised. A number of Perry's (1995), participants were reinterviewed along with five other individuals who are nationally involved in workplace reform.

### **The conclusion**

The analysis highlighted that;

1. Workplace reform can 'sow the seeds' of involvement and participation within an organization that may not have been there before. This did happen to a small degree at Tomoana, but only in departments where the staff were not exposed to the culture of control and distrust that was prevalent in other areas of the plant.
2. Workplace reform must contain a strategy so that everyone in the organization feels they are contributing to its success. This did occur when Tomoana was introducing everyone to the concept of Total Customer Service ("TCS"). However the meatworkers, maintenance staff and

a number of supervisors started to have doubts about the sincerity of the company when cost savings started to enter the discussions.

3. Workplace reform is about improving labour relations. Labour relations at Tomoana had seen very little in the way of major industrial conflict compared with other meat processing plants, except for a strike in 1987 which lasted 8 weeks. During the initial stages of change at Tomoana the meatworkers union president, at the time, was proactive in pursuing TCS and accepted the company's position when the Towards 2000 initiatives were announced in May 1993 and the subsequent employment contract. Having taken this stance the president lost his position. The new president was not as enthusiastic as his predecessor over the initiatives because of the feeling of betrayal and loss of trust towards the company. The company, as far as the union were concerned, were the benefactors, not the workers.

4. Skill and training development is another one of the key characteristics of workplace reform. The initial programme of introducing the concept of TCS to the staff was received with enthusiasm amongst the majority of the staff. The longer term workers took the attitude of, 'lets sit back and wait and see what will happen before committing ourselves'. The design and implementation of the ISO programme exposed a small group of staff to its procedures. The staff who were involved in problem solving methods certainly gained new skills. However the key area of skill-based training never got beyond the developmental stage because the company found that they could not afford the additional payment costs that go with the new skills. Workers and the union were disillusioned when the company convinced them to take a pay cut in exchange for an agreed skill-based payment system, and then not go ahead with the agreed system was, as far as the workers and the union were concerned, a loss of trust. Middle management just could not believe that management were not fulfilling their side of the bargain. Senior management could not accept the high costs of the skill based pay system. Also senior management believed that the union officials and the workers had to understand that the reality of operating a business in difficult time requires all sides to make sacrifices. Senior

management also believed that if it had not been for the May 1993 announcement, they may not have got through the changes.

5. Workplace reform has the component of quality of product and customer service built into the concept. The workforce fell into two distinct groups when discussing quality. One was sceptical of the way things were progressing and had little faith in the process because though the company wanted quality they still preached quantity. The second group supported the quality drive and could accept the direction that Tomoana was heading in. The functional managers and supervisors interviewed always had quantity rammed down their throats when they attended production meetings.

6. If workplace reform is to be successful, the supervisors have to be recognised as one of the key elements to its success. This was not the case at Tomoana as a number of supervisors/teamleaders were made redundant and this resulted in a lot of insecurity amongst this group. To add to their insecurity, the employment contract recognised the position of a team captain, whose duty it was to relieve the supervisors of their mundane tasks with no extra remuneration so that they could concentrate on their new tasks.

7. New management tasks were supposed to allow the workforce to have more say in the way things were done on the job and the supervisors were to oversee rather than control. This was treated with scepticism by the union and workers. The supervisors had trouble coping with this new way of cooperating with workers when previously their job was to control and make sure the quantity was maintained.

8. All of the participants from the union and workers would support the concept of workplace reform that Tomoana had initially proposed in the mission statement. They also did not want workplace reform to be just a management philosophy. Also they believed that when management and workers agree and sign a document, management should honour their side of the bargain. From the management point of view, such a project should not have been

plemented at Tomoana. The place was too big and had a work culture from a long history of control. Trying to successfully turn it around in the time frame required was a mistake. A number of managers supported the initiatives as it gave them a new way of looking at how to manage.

As far as the external participants were concerned, workplace reform has many meanings and this was probably because of their own ideology and the organizations they worked for. However, all agreed that for organizations to operate in a society that is demanding better quality of product and service in a diverse market, then those organizations, workers and unions have to do things differently. But how that was to be achieved was the problem. The employers' representative believed that workplace reform is about empowerment and the worker needs a better understanding of how the company operates. Of the three union representatives, one believed that workers must be better trained and skilled and have an opportunity to enhance their career prospects and job security, and that means having a better place in which to work. To obtain that, the union is a key component. The other union official believed that workplace reform is a fallacy built on the misconception that employers and workers/unions want to sit down and cooperate towards making their premises a better place to work in. The stakeholder, as far as he was concerned, had diverse agendas and this would impede the development of workplace reform. If there was any cooperation, he believed, it would be on a superficial basis.

Workplace reform is about genuine participation and cooperation through the involvement of the company's officers, workers and union officials, in the running of the organization. If companies are just going to pursue a quality agenda with cost cutting measures introduced into the process then workplace reform will fail. This is because the trust built up between the parties during the initial implementation will quickly dissipate if the workers cannot see any benefits. Therefore the analysis demonstrates that for the concept of workplace reform to be successfully implemented a genuine model of participation and cooperation must be present.

During the implementation of TCS at Tomoana, there was a classical model of quality management with a limited degree of participation and cooperation. The participation and cooperation had a harder edge after the May 1993 announcement mainly due to the reduction in working conditions, salaried staff reductions, and the tightening up of ACC and sick leave provisions. The concept of workplace reform never got a chance to become a reality at Tomoana because of the state of the meat processing industry, Tomoana's size, the culture of control, financial difficulties, a number of supervisors not being able to come to grips with the concept, workers' expectations of trust dampened by the company's officers, meatworkers dismayed with the company and their union, and many of the workers were not seeing the positive aspects of workplace reform, only the negatives.

Harris (1994) points to the reality of workplace reform in that there are many cases where workplace reform is introduced in a crisis situation. These measures of crisis management, according to Harris (1994), should be isolated from the genuine responses that form the model of workplace reform. Unfortunately at Tomoana the crisis management response was intertwined with the workplace reform measures and this created a lot of confusion amongst the workforce.

The research that Perry (1995) undertook at Tomoana, raised the concerns about introducing long-term strategies for change is limited by the immediate pressure to improve profitability. This goes to the core of the debate on workplace reform. Perry (1995) believes that TCS was having some positive responses in changing the company's culture on raising quality performance and motivating the staff to think about the needs of internal and external customers. However Perry (1995) questioned the success of TCS when the company introduced the May 1993 announcement. Perry (1995) also raised the issue of attempting to turn around ingrained attitudes and work relations in a large plant such as Tomoana does not come easily. Perry (1995) also found in his work at Tomoana, that the company <sup>was</sup> ~~were~~ the benefactors and the majority of workers were never exposed to the benefits of the changes at Tomoana. Ryan

(1995) also came to the same conclusion in the work that was carried out for Workplace New Zealand.

The research that the writer has carried out compares favourably with Perry's (1995) conclusion. However the writer believes that the quality debate is only one of the characteristics in the workplace reform concept and Perry (1995) could have questioned whether real cooperation and participation actually took place under TCS. The writer would suggest it did not. However the writer was at a distinct advantage because, the interviews that were carried out were twelve months later and with the closure of the plant the interviewees may have had more time to reflect on the issues.

The workplace initiatives introduced at Weddel Tomoana had some elements of the workplace reform model. The initial stages of TCS certainly involved all the staff and unions and this was certainly a milestone for the meat processing industry. However, operating in an environment of debt, placed Tomoana at a disadvantage. Introducing a series of cost cutting measures dispersed with workplace reform characteristics and then reneging on some of the agreed characteristics was a recipe for discontent and the trust that had been built up in the early stages had diminished and it never recovered.

Therefore concept of workplace reform was not compromised at Tomoana because it never fully met the criteria as defined by the characteristics found in the literature. "Therefore the Weddel experiment was indeed something considerably different from workplace reform"

For future research into workplace reform, the following areas may be considered:

- A longitudinal research project to look at the history of workplace reform within one company.
- Why are employers implementing only certain aspects of workplace reform and not others.?
- Instead of researching just manufacturing sectors, there needs to be a cross section of work establishments such as tourism/hospitality, education and health?

There needs to be more research on how the workers feel about these changes by using a qualitative method of investigation?

Why do workers want to become involved in workplace reform initiatives?

## References

- CTU. (1992), '22 Point Checklist on Workplace Best Practice. Prepared by M. Ogden for the Australian Council of Trade Unions.
- Edison, R. and Hill, R. (1993), 'A comparative evaluation of new technology in four meat processing plants'. New Zealand Institute for Social Research and Development, Discussion Paper.
- FL-CIO. (1994), *The New American Workplace: A Labor Perspective*. Report by the AFL-CIO, Committee on the Evolution of Work, Washington, D.C., AFL-CIO.
- Applebaum, E. and Batt, R. (1994), *The New American Workplace: Transforming Work Systems in the United States*. Ithaca, New York : ILR Press.
- Adham, R and Mathews, J. (1989), 'The "New Production Systems" debate'. *Labour and Industry*. 2 (2) : 194-246.
- Atkinson, E., Ferner, A. and Terry, M. (1984), *Consent and Efficiency*. Oxford : Blackwell.
- Beer, M., Spector, B., Lawrence, P.R., Quinn Mills, D. and Walton, R.E. (1984), *Managing Human Assets*. New York : Free Press.
- Berggren, C., Bjorkman, T. and Hollander, E. (1991), *Are They Unbeatable?* Stockholm, Department of Work Science, Royal Institute of Technology.
- Berggren, C. (1993), *The Volvo Experience: alternatives to lean production, in a Swedish auto industry*. Basingstoke : Macmillan Press.
- Burton, E. (1974), 'The concept of organisation'. In R. Turner (ed), *Ethnomethodology*. Markham, Ontario : Penguin.
- Chandler, R. (1964), *Alienation and Freedom: The Factory Worker and His Industry*. Chicago : University of Chicago Press.
- Colwijn, B.T. and Kumpe, T. (1990), 'Manufacturing in the 1990's: Productivity, Flexibility and Innovation', *Long Range Planning*, 23 (4) : 44-57.
- Dixon, P. (1993) 'The significance of human resource management: a reconsideration of the evidence'. *The International Journal of Human Resource Management*. 4 (3) : 645-664.
- Drummond, T. (1988), 'The Flexibility Debate: Industrial Relations and New Management Production Practices'. *Labour and Industry*, 1 (2) : 187-209.
- Dunbar, H. (1974), *Labor and Monopoly Capital*. New York : Monthly Review Press.
- Day, M. and Littler, C. R. (1988), 'The Labour Process and Industrial Relations: Review of the Literature'. *Labour and Industry*, 1 (3) : 551-587.
- Dunbar, M. (1979), *Manufacturing Consent*. Chicago : University of Chicago Press.
- Edwards, T. and Stalker, G.M. (1961), *The Management of Innovation*. London : Tavistock.

- mpbell, C., Harper, D., and Hamilton, R. (1993) *Islands of Excellence: A Study of Management in New Zealand*, New Zealand Institute of Economic Research, Research Monograph no 59, NZIER, Wellington.
- andler, A. (1990), *Scale and Scope: The Dynamics of Industrial Capitalism*. Cambridge, Mass : Harvard University Press.
- ld, J. (1985), 'Managerial strategies, new technology, and the labour process'. In D. Knights, H. Willmott and D. Collinson (eds), *Job Redesign*. Aldershot : Gower.
- ld, J. (1987), 'Organizational design for advanced manufacturing technology'. In G Wall et al. (eds.) *The Human Side of Advanced Manufacturing Technology*. Chichester : John Wiley.
- inoy, E. (1955), *Automobile Workers and the American Dream..* Boston : Beacon Press.
- ckburn, C. (1983), *Brothers: Male Dominance and Technological Change*. London : Pluto.
- ien-Rosenthal, E. and Burton, C.E. (1992), *Mutual Gains: A guide to union-management cooperation*. Ithaca, NY : IRL Press.
- linson, D. (1983), *Managing the Shopfloor*, mimeo, Manchester University.
- nmmerce Commission. (1995), Decision No. 273. Weddel New Zealand Limited. New Zealand Commerce Commission, Wellington.
- oke, W.N. (1990), 'Factors Influencing the Effect of Joint Union- Management Programmes on Employee-Supervisor Relations'. *Industrial and Labor Relations Review*. 43, July : 587-603.
- ton, J.L., Vollrath, D.A., Froggart, K. L., Lengnick-Hall, M.I. and Jennings, K.R. (1988), 'Employee Participation: Diverse Forms and Different Outcomes'. *Academy of Management Review*, 13 (1) : 8-22.
- combe, G.T., Enright, M.J. and Porter, M. E. (1991), *Upgrading New Zealand's Competitive Advantage*. Auckland, Oxford Press.
- rtis, B. (1993), 'The Export Meat Industry'. In P. Morrison (ed) Proceedings of Labour, Employment and Work Conference, Department of Geography, Victoria University of Wellington.
- tler, A. (1978), 'The Romance of Labour'. *Economy and Society*, 7 (1) : 74-79.
- ito, E. (1979), 'Summary of Discussions of the 4th International Conference on Business History'. In K. Nakagawa (ed), *Labor and Management*. Tokyo : University Press of Tokyo.
- wson, P. and Palmer, G. (1993), 'Total Quality Management in Australian and New Zealand Companies: Some emerging themes and issues.' *International Journal of Employment and Society*, 1 (1) : 115-136.
- wson, P. and Palmer, G. (forthcoming), *Breaking the Myth: The Realities of Total Quality Management*, Melbourne.
- partment of Labour. (1976), *A Study of Worker Participation in 65 Manufacturing firms*. Government Printer, Wellington.

- yle, S. (1995), "Building Better Skills: the CTU's response to the Government Industry Training Strategy. Presented to the 3rd Annual IERA Conference, Waikato University, July 1995.
- nlop, J. (1958), *Industrial Relations*. New York : Holt.
- on, A. and Voos, P. (1992), 'Unions and Contemporary Innovations in Work Organizations, Compensation and Employee Participation'. In L. Mishel and P. Voos. (eds) *Union and Economic Competitiveness*. New York : Sharpe.
- wards, P.K. and Scullion, H. (1982), *The Social Organization of Industrial Conflict*. Oxford : Basil Blackwell.
- wards, R. (1979), *Contested Terrain*. London : Heinemann.
- hbaum, C.R. (1980) *Men in the Meat Industry: instrumentation in work, class, and community*. Masters' thesis, Canterbury University.
- atten van, F.M. (1993), *The Paradigm that Changed the Work Place*. Assen : Van Gorcum.
- ery, F.E. and Thorsrud, E. (1964), *Form and Content of Industrial Democracy. Some experiments from Norway and other European countries*. Oslo : Oslo University Press.
- ery, F.E. and Thorsrud, E. (1969), *Form and Content of Industrial Democracy. Some experiments from Norway and other European countries*. London : Tavistock.
- ery, F.E. and Thorsrud, E. (1976), *Democracy at Work: the report of the Norwegian industrial democracy program*. Leiden, Martinus : Nijhoff.
- lerwick, P. (1992), 'Workplace Reform and International Competitiveness: the case of New Zealand'. *New Zealand Journal of Industrial Relations* . 17 (2) : 185-206.
- lerwick, P. (1994), Consensus Report on the Workplace New Zealand Study of High Performance Organizations in Australia and the United States. September 1994.
- ioni, A. (1961), *A Comparative Analysis of Complex Organizations*. New York : Free Press.
- ioni, A. (1975), *A Comparative Analysis of Complex Organizations*. Rev ed. New York : Free Press.
- erman, D.M. (1989), *Ethnography: step by step*. Newbury Park, Cal. : Sage Publications.
- ids, D. and Bramble, T. (1992), 'Post-Fordism: Historical Break or Utopian Fantasy?' *Journal of Industrial Relations*, 34 (4) : 562-579.
- ., A. (1974), *Beyond Contract: Work, Power and Trust Relations*. London : Faber and Faber.
- eman, C. and Perez, C. (1988), 'Structural crises of adjustment: Business cycles and investment behaviour'. In G. Dosi et al. (eds), *Technical Change and Economic Theory*. London : Pinter.

- rench, J.R.P. and Raven, B.H. (1959), 'The Bases of Social Power'. In D. Cartwright (ed), *Studies in Social Power*. Michigan : Ann Arbor.
- riedman, A. (1977) *Industry and Labour*. London : Macmillan.
- uller, C. (1975), Worker Participation - Department of Labour Research, in "Seminar with the Theme, Worker Participation" New Zealand Institute of Economic Research, Discussion Paper No. 20.
- arrahan, P. and Stewart, P. (1992), *The Nissan Enigma: flexibility at work in a local economy*. London : Mansell.
- oldthorpe, J.H., Lockwood, D., Bechhofer, F. and Platt, J. (1968), *The Affluent Worker: Industrial Attitudes and Behaviour*. London : Cambridge Press.
- ordon, D.M. (1976), 'Capitalism Efficiency and Socialist Efficiency'. *Monthly Review*, 28 (3).
- rint, K. (1991), *The Sociology of Work: an introduction*. Cambridge, U.K. : Polity Press.
- uest, D. (1989), 'Human resource management: its implications for industrial relations and trade unions'. J. Storey (ed). *New Perspectives on Human Resource Management*. London : Routledge.
- uest, D. (1992), 'Employee Commitment and Control'. In J. Hartley and G. Stephenson (ed). *Employment Relations*. Oxford : Blackwell.
- uest, D. and Dewe, P. (1991), 'Company or Trade Union: which wins workers' allegiance? A study of commitment in the United Kingdom electronics industry'. *British Journal of Industrial Relations*, 29 : 75-96.
- uest, D. and Fatchett, D. (1974), *Worker Participation: Individual Control and Performance*. IPM.
- ustavsen, B. (1993), 'Work Place Development and Communicative Autonomy'. In , F.M. van Eijnatten (ed). *The Paradigm that Changed the Work Place*. Assen : Van Gorcum.
- arbridge, R. and Hince, K. (1994), *A Source of New Zealand Trade Unions and Employee Organizations*. Industrial Relations Centre, Victoria University of Wellington, Wellington.
- arris, P. (1994), 'Workplace Reform: Who Benefits?' Presentation to the Workplace New Zealand Research Forum, 22 August 1994, Victoria University of Wellington.
- arrison, J. F.C. (1984), *The Common People: a History from the Norman Conquest to the Present*. London : Flamingo.
- arvey, D. (1989), *The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change*. Oxford : Basil Blackwell.
- ayes, R., Wheelwright, S. and Clark, K. (1988), *Dynamic Manufacturing: Creating the Learning Organization*. New York : Free Press.
- ill, S. (1991), 'Why QCs failed but Quality Management might succeed'. *British Journal of Industrial Relations*, 29 (4): 541-568.

- First, P. and Zeitlin, J. (1991), 'Flexible Specialisation versus post-Fordism: Theory, Evidence and Policy Implications'. *Economy and Society*, **20** (1) : 1-56.
- Fodson, R., Hooks, G. and Rieble, S. (1992), 'Customized Training in the Workplace'. *Work and Occupation*, **19** (3) : 272-292.
- Gunter, L. and Beaumont, P.B. (1993), 'Implementing TQM: top down or bottom up?' *Industrial Relations Journal*, **24** (4) : 318-327.
- Hyman, R. (1987), 'Strategy or Structure? Capital, Labour and Control'. *Work, Employment and Society*. **1**.
- Hyman, R. (1988) 'Flexibility Specialisation: Miracle or Myth?' In R. Hyman and W. Streek (eds) *New Technology and Industrial Relations*. Oxford : Basil Blackwell.
- Jackson, J.H.K. (1977), 'The man on the disassembly line: New Zealand freezing workers'. *Australian and New Zealand Journal of Sociology*. **13** (1) : 2-11.
- Jackson, J.H.K. (1979), 'Management practice and industrial conflict: the case of the New Zealand meat industry.' *New Zealand Journal of Business*, **1** : 83-104.
- Jackson, K. and Cammock, P. (1984), 'Labour process theory and the chain system in New Zealand meatworks,' *New Zealand Journal of Industrial Relations*, **9** : 149-160.
- Jones, A. M. and Hendry, C. (1991), *The Learning Organisation: a review of the literature and practice*. A project for the HRD Partnership Warwick University.
- Jones, R. (1992), 'What Is Required To Deliver Competitive Industry'. Address to AIC Conference, "Reform and Change in Industry Training". 18 March 1992 at The Pan Pacific Hotel, Auckland.
- Kanter, R.M. (1985), *The Change Masters: Corporate entrepreneurs at work*. London: Unwin.
- Katz, H. C. (1993), 'The Decentralization of Collective Bargaining: a literature review and comparative analysis'. *Industrial and Labor Relations Review*, **47** (1) : 3-22.
- Kelley, M.R. and Harrison, B. (1992), 'Unions, Technology, and Labor-Management Cooperation. In L. Mishel and P.B. Voos (eds) *Unions and Economic Competitiveness*, Armonk, NY : M.E. Sharpe.
- Kelly, J and Kelly, C. (1991), 'Them and Us': Social Psychology and The New Industrial Relations'. *British Journal of Industrial Relations*, **29** (1) : March, 25-48.
- Kelly, J. (1985), 'Management's Redesign of Work'. In D. Knights, H. Willmott and D. Collinson (eds), *Job Redesign*. Aldershot : Gower.
- Kelman, H.C. (1961), 'Processes of Opinion Change'. *Public Opinion Quarterly*, **25** : 57-78.
- Kern, H. and Schumann, M. (1989), New concepts of production in West German plants. In P. Katzenstein (ed) *The Third West German Republic*. New York : Ithaca.
- Kochan, T. and Useem, M. (eds). (1992), *Transforming Organizations*. New York : Oxford University Press.

- Coohan, T., Katz, H. and Mckersie, R. (1986), *The Transformation of American Industrial Relations*. New York : Basic Books.
- Coohan, T.A. and Dyer, L. (1993), 'Managing transformational change: the role of human resource professionals'. *The International Journal of Human Resource Management*. 4 (3) : 569-590.
- Crane, C. (1988), 'Industrial Change in Europe: The Pursuit of Flexible Specialization in Britain and West Germany', *Work, Employment and Society*, 2 (2) : 141-68.
- Cranbury, R. (1987), 'The Tomteboda mail centre revisited', *New Technology, Work and Employment*, 2 (2) : 154-6.
- Dash, S and Urry, J (1987), *The End of Organized Capitalism*. Cambridge : Polity Press.
- Edford, G., Lawler, E. and Mohrman, S. (1988), 'the quality circle and its variations'. In J. Campbell, R. Campbell and associates (eds), *Productivity in Organizations*. San Francisco : Jossey-Bass.
- Ewin, D. (1992), 'Work Organization, Labour-Management Relations and Participative Practices in United States Enterprises'. In J.Rojot (ed), *New Directions in Work Organization - Industrial Relations Response*. Paris : OECD.
- Freeman, J. R. and Kalleberg. (1990), *Culture, Control and Commitment: a study of work organization and work attitudes in the United States and Japan*. Cambridge : Cambridge University Press.
- Gittler, C. R. and Salaman, G. (1982) 'Bravermania and beyond; recent theories of the labour process'. *Sociology*, May : 251-269.
- Goffgren, M. (1986), 'A Swedish workplace of the future?: The Tomteboda mail centre'. *New Technology, Work and Employment*. 1 (1) : 84-7.
- Goftland, J. and Loftland, L.H. (1984), *Analyzing Social Settings: a guide to qualitative observation and analysis*. Belmont, Cal. : Wadsworth Publishing.
- MacDonald, P. and Sharma, A. (1994) 'Toward Work Teams within a New Zealand Public Service Organization', paper presented to the 1994 International Conference on Work Teams at University of North Texas, 14-16 September 1994.
- Marginson, P., Edwards, P., Martin., Sisson, K. and Purcell, J. (1988), *Beyond the Workplace*. Oxford : Basil Blackwell.
- Marshall, G., Newby, H., Rose, D. and Vogler, C. (1988), *Social Class in Modern Britain*. London : Hutchinson.
- Marshall, R. (1987), *Unheard Voices: Labor and Economic Policy in a Competitive World*. New York : Basic Books.
- Martin, M. and Hall, S. (1989), *New Times*. London : Lawrence and Wishart.
- Mathews, J. (1989), *Tools of Change; New Technology and the Democratisation of Work*. New South Wales : Pluto Press.
- Mathews, J. (1989b), *Age of Democracy: The Politics of Post-Fordism*. Melbourne : Oxford University.

- Mathews, J. (1989c), *Towards an 'Australian Model' of Wages-Linked Regulated Structural Adjustment*. Swedish Centre for Working Life, Stockholm.
- Mathews, J. (1991), *Australia Post: Introduction of Optical Character Recognition Mail Sorting Technology* (UNSW Studies in Organizational Analysis and Innovation, no. 2). Industrial Relations Research Centre, The University of New South Wales, Sydney.
- Mathews, J. (1992), 'New production systems: a response to critics and a re-evaluation'. *Journal of Australia Political Economy*, 30 : 91-128.
- Mathews, J. (1993), 'The industrial relations of skills formation'. *The International Journal of Human Resource Management*, 4 (3) : 591-609.
- Mathews, J. (1994), *Catching the Wave*. New South Wales : Allen and Unwin.
- McGregor, D. (1960), *The Human Side of the Enterprise*. New York : McGraw-Hill.
- Meat Industry Commission. (1974), 'Report of the Commission of Inquiry into the Meat Industry'. Government Printer, Wellington.
- Metcalf, D. (1990), 'Trade Unions and Economic Performance: The British Evidence'. In R. Brunetta and C. Dell'Aringa (eds). *Labour Relations and Economic Performance*. Basingstoke : Macmillan.
- Miller, K.I. and Monge, P.R. (1986), 'Participation, Satisfaction, and Productivity: A Meta-Analytic Review'. *Academy of Management Journal*. 29 (4) : 727-753.
- Mintzberg, H. (1978), 'Pattern in strategy formation', *Management Science*, 24.
- Mintzberg, H. (1979), *The Structuring of Organizations*. Englewood Cliffs, N.J. : Prentice-Hall.
- Morgan, G. and Smirich, L. (1980), 'The Case for Qualitative Research'. *Academy of Management Review*, 5 (4) : 491-500.
- MTIA & MTFU. (1988) 'Towards a new metal and engineering award'. The report of the Department of Industrial Relations, Metal Trades Federation of Unions and The Metal Trades Industry Association of Australia mission to UK, Sweden, and West Germany. Sydney.
- New Zealand Planning Council. (1990), 'Tomorrow's Skills'. Wellington.
- Noble, D. F. (1974), *America by Design*. New York : Oxford University Press.
- O'Brien, M. and Wilkes, C. (1993), *The Tragedy of the Market*. Palmerston North: Dunmore.
- Osterman, P. (1994), 'how common is workplace transformation and who adopts it'. *Industrial and Labor Relations Review*, 47 (2) : 173-188.
- Palmer, B. (1975), 'Class conception and conflict: the thrust for efficiency, managerial views of labour and the working class rebellion'. *Review of Radical Political Economics*, 7 : 34-49.
- Parker, M. and Slaughter, J. (1988a), 'Managing by Stress: The darkside of the team concept'. *Industrial Labour Review Report*, 24: 19-23.

- Parker, M. and Slaughter, J. (1988b), *Choosing Sides: Unions and the Team Concept*. Boston : South End Press.
- Perry, M. (1995), 'Weddel New Zealand: TCS along the chain.' In M. Perry., C. Davidson and R. Hill (eds). *Reform at Work: New Zealand Workplaces in the New Industrial Order*. Auckland : Longman Paul.
- Perry, M., Davidson, C., and Hill, R. (1995), *Reform at Work*. Auckland, Longman Paul.
- Peters, T. and Waterman, R. (1982), *In Search of Excellence*. New York : Harper and Row.
- Pettigrew, A.M. (1985), *The Awakening Giant: Continuity and Change at ICI*. Oxford : Basil Blackwell.
- Pettigrew, A.M. (1987), Introduction: Researching strategic change, In A.M. Pettigrew (ed) *The Management of Strategic Change*. Oxford : Basil Blackwell.
- Piore, M. and Sabel, C. (1984), *The Second Industrial Divide: Prospects for Prosperity*. New York: Basic Books.
- Pollert, A. (1988a), 'The "Flexible Firm.": Fixation or Fact?', *Work, Employment and Society*, 2, September: 281-316.
- Pollert, A. (1988b), 'Dismantling Flexibility.' *Capital and Class*. 34, Spring: 42-75.
- Pollert, A. (1991) 'Introduction.', In A. Pollert (ed) *Farewell to Flexibility*. Oxford : Basil Blackwell.
- Ryan, R. (1994), 'Workplace Reform - Towards an Indigenous Definition'. Presentation to the Workplace New Zealand Research Forum, 22 August 1994, Victoria University of Wellington.
- Ryan, R. (1995), Workplace Reform in New Zealand - The State of Play. Report prepared for Workplace New Zealand by Rose Ryan, Industrial Relations Centre. Victoria University of Wellington.
- Senge, P. (1990), *The Fifth Discipline: The Art and Practice of the Learning Organization*. New York : Doubleday/Currency.
- Senge, PM. (1990), 'The Leader's New Work: Building Learning Organizations'. *Sloan Management Review*. Fall : 7-23.
- Stappendel, C. (1993), *Perspectives on Innovation in Organizations*. Department of Management Systems, Massey University, Occasional Paper, 1.
- Smith, D.F. (1978), 'A Critique of Worker Participation in New Zealand.' *New Zealand Journal of Industrial Relations* , 71-79.
- Stoffer, B. (1960), 'A Theory of Trade Union Development: the role of the autonomous workman. *Labour History*, 1 : 141-163.
- Storey, J. (1985), 'The means of management control', *Sociology*, 19 (2) : 193-211.
- Streeck, W. (1987), Industrial Relations and industrial change: the restructuring of the world automobile industry in the 1970s and 1980s'. *Economic and Industrial Democracy*, 8.

- Buschmann, M. and Vecchio, R.P. (1982), 'A Social Influence Interpretation of Worker Motivation'. *Academy of Management Review*. 7 : 177-186.
- Compton, J. (1982), *The Unequal Struggle*, Methuen.
- Chandler, R. (1978), 'Lenin and Taylor: the Fate of "Scientific Management" in the early Soviet Union'. *Telos*, 37 : 82-92.
- Christy, E. (1951), 'Some social and psychological consequences of the longwall method of coal getting'. *Human Relations*, 4 : 3-38.
- Christy, E. et al. (1963), *Organizational Choice: The Loss, Rediscovery and Transformation of a Work Tradition*. London : Tavistock.
- Clark, D.J. (1976), *Industrial Conflict: a study of three New Zealand industries*. Wellington : Methuen.
- Chandler, J.A. and Gooding, R.Z. (1987), 'Effects of Societal Trends on Participation Research'. *Administrative Science Quarterly*. 32 June : 241-462.
- Chandler, C. and Guest, R. (1952), *The Man on the Assembly Line*. Cambridge : Harvard University Press.
- Chandler, R.E. (1987), *Innovating to Compete*. San Francisco : Jossey-Bass.
- Chandler, M. (1990), *Productive Workplaces: Organizing and Managing for Dignity, Meaning and Community*. San Francisco : Jossey-Bass.
- Chandler, C. (1988), *Blue, White and Pink Collar Workers in Australia*. Sydney : Allen and Unwin.
- Chandler, K., Cutler T., Williams, J. and Haslam, C. (1987), 'The End of Mass Production?', *Economy and Society*, 16 (3): 401-438.
- Chandler, O.E. (1975), *Market and Hierarchies*. New York : Free Press.
- Chandler, O.E. (1985), *The Economic Institution of Capitalism*. New York : Free Press.
- Chandler, J.P., Jones, D.T. and Roos, D. (1990), *The Machine That Changed the World*. New York : Rawson Associates.
- Chandler, J. (1965), *Industrial Organization: Theory and Practice*. London : Oxford University Press.
- Chandler, R.K. (1989), *Case Study Research: design and methods*. Newbury Park, Cal. : Sage Publications.
- Chandler, G., Duncan, R. and Holbek, J. (1973), *Innovations and Organizations*. New York : John Wiley and Sons.

## Appendix One

### MASSEY UNIVERSITY

#### Human Ethics Committee Application Form

Name of Applicant: Barry Foster

Department: Human Resource Management

Title: Workplace Reform and Weddels Staff. A study in retrospect of staffs perspective's.

---

#### DESCRIPTION OF PROJECT

##### Justification

Weddel Tomoana had been highlighted by a number of organizations as a leading establishment in workplace reform in New Zealand and is a subject in a forthcoming book on the topic.

However with the collapse of Weddel New Zealand Ltd supporters and critics will be vindicating their views of workplace reform. Supporters will say that the collapse of Weddel was because of the environment that the company operated in and the actions and decisions of its parent company in London and therefore the collapse is not found in workplace reform initiatives per se.

Its critics would argue that workplace reform is a cooperative and collaborative strategy to get workers to volunteer or give up their knowledge of the workplace to employers and they may well site Weddel collapse as justification of their argument.

The goal of this present study is to explore these facets in greater detail.

Using structured interviews I seek to examine, to what extent has the concept of workplace reform been compromised by the collapse of Weddel NZ Ltd?

##### Objective

To replicate Dr. Martin Perry's research at Weddel Tomoana, on the workplace reform processes that were introduced there. This would be done through a series of follow-up questions on the attitude and opinion of those original participants.

##### Procedures for recruiting participants and obtaining informal consent.

I will recruit the participants by mailing to them an information sheet and consent form followed up by a phone call. The stakeholders are utilized from Dr. Perry's list of interviews at Tomoana early in 1993.

Procedures in which research participants will be involved. Ideally I would like to interview and tape-record each of the twenty four for about one hour.

Procedures for handling information and materials produced in the course of the research. The interviews will be taped and these tapes will be listened to and transcribed only by Barry Foster. The tapes will be erased once they have been transcribed. The storage of the tapes will be under lock and key in a secure place.

### **Supervision**

Barry Foster will be supervised by Glyn Jeffrey Senior Lecturer of the Human Resource Management Department in the Business Studies Faculty at Massey University and assisted by Chris Eichbaum Director of Labour Studies of the Social Policy Department in the Social Science Faculty at Massey University

## **ETHICAL CONCERNS**

### **Access to participants/informed consent**

The information sheet mailed out to the participants followed up by a telephone call would deem to be the correct method of access. Once access has been granted the participant would then sign a consent form so to allow the research to proceed.

### **Confidentiality**

The confidentiality of the participants will be assured by the following measures:

- all names and special characteristics which would lead to their identification will be changed
- storage of the taped interviews will be kept under lock and key in a secure place.
- interview tapes will be erased once transcribed
- in those cases where ex-stakeholders have been interviewed, material will not be shared with any other ex-stakeholder.

### **Potential harm to participants**

There are various ways of ensuring sensitivity and protecting the confidentiality of the participants. I will interview in sufficient numbers; at least twenty four. Any identifying characteristics, names and positions will be changed. These acts should avoid potential harm.

### **Participants right to decline**

The consent form indicates that participants are free to withdraw from the research project at any time.

### **Use of information**

On the consent form, participants will be asked to give written consent for Barry Foster to use the information gained to write up a thesis for his Master of Philosophy, any scholarly articles, books and to deliver papers to specific conferences.

## **LEGAL ISSUES**

### **Copyright**

Copyright of all published papers from this research will rest with Barry Foster.

### **Conflicts of interest**

Having observed the above procedures I do not anticipate any conflicts of interest.

## **OTHER ETHICAL COMMITTEES**

This project will not be submitted to any other ethical committees.

**CONSENT FORM FOR RESEARCH PROJECT:**

**Workplace Reform and Weddels Staff.**

**A study in retrospect of staff perspective's.**

....., consent to participate in the research project Workplace Reform and Weddels Staff. A study in retrospect of staff perspective's. I accept the assurances:

- ) That at any time I may tell Barry Foster, the researcher, that it is not convenient for me to see him, and that this will be respected.
- ) That confidentially will be kept through the following measures:
  - i) all names and special characteristics that would lead to my identification will be changed
  - ii) interview tapes will only be listened to by Barry Foster and a transcription typist.
- ) That I will be given a transcript of this interview and will be given the opportunity to indicate material that I do not wish to be used.
- ) I am free to withdraw from the research project at anytime.
- ) That at anytime I can renegotiate this agreement with Barry Foster.
- ) I give permission for Barry Foster to use the information gained during the research in any publication he may write or any conference he may address.

**igned:**

..... (Participant)

..... (Researcher)

..... (Date)

## INFORMATION SHEET

### Title

Workplace Reform and Weddels Staff. A study in retrospect of staffs perspective's.

### What is the study about?

The body of the research entails re-interviewing the participants in a recent study on the above topic by Dr. Martin Perry's of the Institute for Social Research and Development. However in addition to the above persons I need to interview a number of external participants.

### Objective

To replicate Dr. Martin Perry's research at Weddel Tomoana, on the workplace reform processes that were introduced there. This would be done through a series of follow-up questions on the attitude and opinion of those original participants and a number of external participants.

### What will you have to do?

If you agree to participate in the study, you will be asked to meet Barry Foster for one interview of about one hour. This interview would take place at a time convenient to you, will be tape recorded and will be conducted in private.

The interview will ask you a series of questions in retrospect pertaining to workplace reform at Tomoana.

### Who is Conducting the Research?

The research project is being carried out by Barry Foster a Masters student in the Human Resource Management Faculty at Massey University. This research project is a thesis and forms part of the requirements for a Master in Philosophy.

Mr Foster is being supervised by Glyn Jeffrey, Senior Lecturer of the Human Resource Management Department in the Business Studies Facility at Massey University and assisted by Chris Eichbaum Director of Labour Studies of the Social Policy Department in the Social Science Faculty at Massey University

Following the completion of the thesis Mr Foster and other academic colleagues may want to publish the results of the research in a number of academic journals, popular management magazines and may want to present the findings to national and international conferences.

### Your Rights

If you take part in the study, you have the right to:

- (a) refuse to answer any particular question, and to withdraw from the study at any time.
- (b) ask any further questions about the study that occurs to you during your participation.

- (c) provide information on the understanding that it is confidential to the researcher, that you will not be identified in any reports that are prepared from the study.
- (d) examine and amend the transcript of the interview, and to indicate any part of the transcript that you do not wish to be used.
- (e) determine the disposal of interview tapes, transcripts of interview and personal documents made available to the researcher.

Covering letter  
(under Massey University letterhead)

[REDACTED]  
[REDACTED]

Re: **"Workplace Reform and Weddel's staff. A study in retrospect of staffs perspective's."**

Dear.....

I am carrying out research on the above topic, and as you were one of the participants in Dr. Martin Perry's research into workplace reform at Tomoana, I would like to interview you .

Please find enclosed an information sheet on the above topic that I would like you to read and seven days from the date of this letter I will contact you to discuss my request.

Yours sincerely

Barry Foster