Worker participation and the road to socialism

Before considering the acceptability, appropriateness and possible success of workplace participation, we need to ask: *what do we understand by workplace participation?*

A large proportion of the literature on workplace participation, including the articles by Maller, Nicol and Mohamed in the *Labour Bulletin*, has either completely left out a definition of the term or defined it very broadly. It seems to me that this lack of clarity has left the recent debate in the *Bulletin* both confused and confusing.

ESOP's Fables and confusing definitions

Maller starts off the debate with her LERC publication *ESOP's Fables* (1988). She notes from the beginning that participative management

LIV TORRES* continues the debate on worker participation, and argues that increased communication between workers and management, and management's consultation with workers, do not in themselves constitute worker participation. Instead, workers need to be involved in the *actual making of decisions* at all levels in the company. This understanding of worker participation, she argues, should guide an *offensive* strategy of the trade unions.

has become a catch-all phrase which is applied to all forms of employee involvement in decision- making, to channels of decision-making and even to discussions amongst managers (Maller 1988, p 1).

She elaborates this further in a later work: "the phrase

incorporates a wide range of strategies: from simple communication schemes between management and the shop floor, to worker participation in top levels of management" (1989b, p 350).

She notes that as participation schemes have mushroomed in the work-

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place, confusion has spread as to the precise meaning of the term (1989b). On this *point it is easy to agree with* Maller, but at the same time I doubt whether her own contribution makes things more clear. In *ESOP's Fables*, she leans on Salamon's (1987) distinction between 'task-centred' and 'power-centred' participation.

'Task-centred' participation is concerned with the performance of the operational work environment (while the decision- making structure essentially remains intact), and the 'power-centred' participation is concerned with "the exercise of managerial prerogative and the balance of power between management and employees in the organisation's decision-making process" (Maller 1988, p1).

Maller (1989a, p98), in her reply to Nicol's criticism of her book, states that he confuses the whole issue by not separating share ownership (ESOP's) and participation. I have much sympathy for Nicol's "confusion".

It seems to me that Maller herself has laid the ground for the resulting confusion over the definition of 'participative management'. If ESOP's are not included in Maller's understanding of workplace participation or participative management because it does not entitle workers to any decision-making power (Maller 1988, p 2, 1989a, p 98), why are Quality Control Circles

Quality circle members at Siemens: making suggestions, but is there real decision-making power?
Photo: Morice/Labour Bulletin

(QCC), Briefing Groups, etc, seen as participative management? Such 'task-centred' participation also does not entitle workers to any decision-making power.

Presenting a 'participation continuum', as Maller does (1988, p 2), with no reference to what it is based upon, also fails to pin-point the meaning of worker participation: does it refer to a degree of worker's control, to a proportion of workers in different bodies or to something else?

According to Maller, participative management takes a variety of forms, and it is therefore useful to conceptualise it as a continuum involving low, medium and high levels of participation by workers. I actually find it more confusing than useful. Why is wage bargaining referred to as a low level of participation, while participation in negotiating, hiring and firing is medium level

participation?

Influence and decision-making

The main object of this article is to bring to light the essence of worker participation and pin-point factors which are important in contributing to workers having influence or control through participation.

According to most writers who have tried to define the concept, the essence of 'workplace participation' seems to lie in two factors: influence and decision-making. The big question however seems to be how the relationship between the two is interpreted.

Does workplace participation refer to (worker's) influence *upon* decision-making (without workers being part of the decision- making body)? Or does it refer to (worker's) influence *through* (worker's) decision-making involvement? In the first

case, there is room for consultative bodies to be included in the definition of workplace participation, in the latter case not.

In my opinion there are weaknesses in an interpretation of worker participation which includes communication and consultation. *The essence of workplace participation is workers being involved in decision-making.* Unless worker participation refers to workers' decision-making involvement it is neither very interesting in relation to workers' influence, nor in comparison to democratised work-life in other countries.

In addition, assumptions about workplace participation as a 'new road to socialism', as discussed by Maller (1988, 1989a) and Nicol (1989), becomes completely meaningless.

With the essence of workplace participation lying in influence and decision-making, financial participation in general and ESOP's in particular will be excluded from this paper.

1. Communication and consultation = influence on decision-making = workplace participation?

Some *writers refer to in-*creased *communication* between workers and management as worker participation. Leon Louw of the Free Market Foundation, for instance, mentions the

Japanese-adopted system of 'green areas' (for example at Nissan and Cape Cabinets) as one participatory route (*Manpower Brief* 1987, p 34). These are areas in the workplace, which are quite literally painted green, where workers, foremen, supervisors, management can meet for discussions, and problem-solving.

Others, like Snelgar (1988, p 4), McCullum (1987, p 4), Maller (1988,1989a, b), and Nel & Van Rooyen (1989), refer to managements' *consultation* with workers as one form of worker participation.

The essence of participation by consultation is that workers' views and recommendations should be meticulously taken into account by employers before making the final decision (Nel & Van Rooyen 1989, p 40). Worker participation in this view is seen as workers' capacity to influence company decision-making, and consultation seems to be accepted as one way of doing this.

Influence can be understood as being present if one person achieves intended results by changing another person's actions or predispositions in some way (Dahl 1976, p 29). This implies that workers have influence on *decision-making if they are* able to change managements' actions or predispositions in some way.

The argument hence goes like this: Communication and consultation increase the

influence of workers upon decision-making. Influence upon decision-making is the essence of workplace participation. Thus communication and consultation are forms of workplace participation.

This line of argument has clear weaknesses. I argue instead that 'workplace participation' should refer to workers being involved in the *actual making of decisions* - participating directly or being represented where decisions are made: in the decision-making body. The reasons for this are twofold:

The limitations of communication and consultation

Firstly, the question as to whether communication and consultation actually give workers influence on decision-making is at least debatable. However, few of the writers who refer to communication and consultation as 'workplace participation' have indeed asked these question. They take for granted something (worker influence) which cannot be assumed, but has to be shown.

In quite a few workplaces, committees have been set up to structure communication and consultation between workers and management: QCCs, impact groups, work *committees, work affairs* committees and liaison committees. Information, communication, interaction and consultation - it all sounds nice and may well be meaningful for the people in-

volved.

But does it imply worker influence on decision-making? It is by no means certain that management generally takes workers' proposals and points of views into account.

In addition, the range of issues workers can exercise influence over is usually restricted to shopfloor issues. Even as far as shopfloor issues are concerned, workers have limited possibilities of influencing management. The underlying argument often is that workers' suggestions as to what can increase the profit of the company are welcome, but proposals which might endanger productivity and efficiency are not even considered.

This means that workers' possibilities of changing managements' actions and points of view are restricted by the point of departure. Management chooses whether they want to be influenced or not.

Communication or consultation is not necessarily irrelevant when it comes to worker influence, but it is highly uncertain and should be regarded as such. Furthermore, if one sees the purpose of worker participation primarily as the advancement of workers' influence, the best way to achieve this is to let workers themselves be involved in the actual making *of decisions.*

The potential influence of workers is higher if they participate in the decision-making body than if they are only consulted. They would be in a better po-

Communication doesn't necessarily mean significant participation in decision-making
Graphic: COSATU

sition to argue their own points of view, to exert influence though discussions, come up with alternatives in a bargaining position, etc.

Influence through decision-making
Secondly, the crucial aspect of workplace participation is *influence through decision-making,* not only to influence decisions as such. The reason for this is that workers can influence decision-making without being consulted or raising their voice on a specific issue.

One example is where management has drawn up a list of alternatives from which a decision will be made, but a theoretically possible alternative, for instance a wage cut, is not included as a practical possibility because of union strength. Here the unions have influence but no participation takes place (Pateman 1970).

A final consideration is that a definition of workplace participation should give a clear and immediate understanding. By basing a

definition on influence alone, one has to analyse the outcome of decisions before one can say whether the workers actually had influence upon decision-making (and the company hence has implemented worker participation or not).

Following this, "green areas", QCC, Briefing Groups, etc. have nothing to do with workplace participation. Communication and consultation is meaningful in its own right and may also have an influence on decisions finally made by management, but as long as there is no *physical presence* by workers in the decision-making bodies, it cannot be called worker participation.

Pateman says that the lack of precision when it comes to defining workplace participation is not surprising considering most writers' reasons for their interest in the concept - it is just one management technique among others that may aid the overall goal of the company: efficiency.

These writers use the term 'participation' to refer not only to a method of decision-making, but also to cover other situations where no participation in decision-making actually takes place, but where the concern is to create a *feeling* of participation (Pateman 1970, p 69).

Participatory management, which refers to a system of management where workers are allowed some participation, should then also be viewed in the

Strike! Worker action and power influence decision-making

Photo: Afrapix

ing and compromise - or will necessarily nurture such interaction.

If workers are in a majority within the decision-making body they will most likely be in control and these comments will be of little relevance. *'Workers' control'* normally refers to workers being in the majority, but has also been used to refer to the veto-power they have in a power position equal to management - an effective limitation by workers of managerial prerogative (*Hyman* 1971, p 46).

'Worker self-management', on the other hand, refers to workers being in majority in decision-making bodies and in particular in decision-making at the top level of the workplace (Bernstein 1983, p 48). It refers to management being appointable by, accountable to and dismissible by workers. Worker self-management is often found in worker-owned firms, but the term is more often used to describe the Yugoslavian system of worker participation.

Besides the relative power of workers in the decision-making body, another key factor in the analysis of worker participation is where in the workplace participation takes place. This is a

light of the same comments about participation.

2. Workplace participation = decision-making involvement

Although decision-making involvement usually has the aim of influencing decisions, this does not say what *degree* of potential or actual influence the participants have. We can nevertheless indicate factors that seem likely to contribute to workers having influence or control in decision-making.

Resources like information, organisational strength, means of pressure (for instance the capacity to withhold labour) and the relative strength within the decision-making body are all factors that contribute to the degree of influence or control workers have in decision-making.

Furthermore, even if workers have influence on decisions, they don't necessarily have the *controlling power* to determine the outcome of these decisions. Although workers may have influence over decisions being made in a committee if they have for instance one third of its representatives, they are unlikely to have control until they have at least half its representatives.

In the latter case workers will have the power to determine the outcome of decisions. The power here is not based upon an ability to dictate the decision but to control it. By virtue of equal representation in the decision-making body, management cannot dictate a decision because workers might veto it. Such a decision- making structure, often labelled *joint decision-making* or *co- determination*, must be based upon negotiations, bargain-

factor which will usually overlap with a range of issues workers have decision-making power over. Broadly speaking we can identify three levels of such decision-making (and hence areas of potential worker participation within the workplace).

The first is the *top* level of the company where policy issues, and long-term executive issues are dealt with, which have to do with the goals of the company. This often refers to the board. Then there is the *intermediate* level where issues are being handled which are mostly concerned with the means of the company: technology, terms and conditions of employment, etc. These are made within the limits drawn up by the policy decisions made at the top level. The *third* level of participation is so-called shopfloor participation: decisions concerning task-related issues.

Finally, the *form* of participation must be considered. Is the participation direct or indirect (through representatives such as unions)? Direct decision-making tends to become impractical in communities with a heavy decision-burden. Therefore, in a company of some size, worker participation usually *takes the form of indirect participation* at the intermediate and top level of the company.

'Workplace participation' sounds like *'workplace democracy'*, but the words participation and democracy

'Democracy in the workplace calls for equal decision-making at all levels in that workplace'

Photo: Morice/Labour Bulletin

are not synonymous. Participation is an essential component of a democratic decision-making system, but the existence of some participatory rights within the workplace is not enough to call this a democratic decision-making system. The main element in democratic theory is the principle of equal rights, which is usually interpreted as majority rule - by head count.

Equal decision-making rights is the core of democracy and hence by implication the core of industrial democracy. Since employees constitute the majority within the workplace, workplace democracy would entail government of employees by employees (Pateman 1970, Jones & Maree 1989, Bendix 1989).

Although participation can occur at all levels of the workplace, for a workplace to be democratic there must be participation based on equal decision-making

power at all levels in the workplace (Pateman 1970, Jones & Maree 1989).

3. The South African debate

There has been a lot of confusion in this debate concerning not only what the issue *is*, but also what *should be* the issue. In my opinion the issue at stake is whether communication and consultation (and for that matter financial participation (ESOPs)) gives workers any influence, and the issue at stake should be the possible gains that can be made by engaging in decision-making involvement.

Decision-making involvement
Considering the fact that 'workplace participation' has become a catch-all phrase which includes a lot of pseudo-participatory arrangements, without workers being involved in decision making, one fruitful

alternative is to choose 'decision-making involvement' as a term and focal point instead.

Decision-making involvement is a more fundamental term - easier to understand and not to confuse. It increases the expectations of worker influence and is more interesting. Why is it more interesting?

Firstly, references to participation in countries with an advanced democratised working life are references to decision-making involvement.

Mohamed (1989, p83) states that "South African management is following in the footsteps of their European, American and Japanese counterparts, in seeking to use participation schemes to cure their ailing industries." For Japan and America this argument might hold. When it comes to Europe it should definitely be modified.

Take the examples of Norway and Sweden which have been held up as the most developed when it comes to worker participation (Botsman 1989). In these two countries, worker participation has been advocated for a number of reasons, of which curing ailing industries is but one small part. A far more important reason has been to increase worker influence, and as such has been advanced not primarily by management, but by political parties and the labour movement. For this reason, worker participation has centred, not around communication and consultation, but around decision-making involvement.

Secondly, decision-making is in focus when one expects the effects of workplace participation upon an individual's political values and behaviour to be in the direction of 'a new road to socialism'.

Management perspectives dominate

Different schools of thought see the purpose of worker participation differently: they imply different things in the notion of workplace participation - concerning what issues and what levels workers should have the right to take part in decision-making; the degree of influence or control workers should have over decision-making, etc.

The debate around, and the implementation of, worker participation and related concepts in South Africa has to a large extent been dominated by a management perspective: seeing worker participation as of benefit to the company through increased efficiency and productivity. The form of participation implemented is a consequence of this: communication and consultation concerning task related issues, while decision- making power remains intact in the hands of the employer/manager. At the same time other perspectives of worker participation in decision-making have basically been neglected, not only by supporters of worker participation but also by its opponents.

Other schools of thought
Two other schools of thought, the participatory

democrats and the participatory left (Greenberg 1975) have been much more cautious about including communication and consultation in their understanding of 'worker participation'. The purpose of worker participation is instead seen as a *learning process* in which the workers' political activity, political consciousness and class consciousness increase. 'Worker participation', according to these perspectives, refers to decision-making involvement at all levels in the workplace. The claim is that the learning effect will be strongest if workers participate at the top levels of the workplace. If participation is confined to the shop-floor, task-related issues, and communication and consultation, the learning effect will be limited (Greenberg 1975, p208).

The **participatory democrats** believe that workers' involvement in decision-making is supposed to foster *personal development*. Pateman, who is the primary advocate of this perspective, sees participation as fostering 'self-esteem' and 'self actualisation', responsibility and reflection. The more individuals participate, the more able they become to do so, as they develop personally and politically. The increased feeling of personal development resulting from the learning experience through workplace participation, will have a spill-over effect to other decision-making areas,

so that the degree of activity in these would increase (Pateman 1970, Ambrecht 1975, Elden 1981, Kiefer 1983, Barber 1984, Lafferty 1985). Workers will start participating more politically, and their preferences will become less individualistic and more community-oriented.

The **participatory left** support worker participation because it is seen as a learning process in which workers' *class consciousness* is enhanced, which will promote socialist-style movements (Greenberg 1975, Fenwick & Olson 1986).

According to adherents of this perspective, workers' decision-making involvement is an educative instrument for social consciousness in which people come to appreciate co-operative and collective efforts, where the sense of power as a member of a class is fashioned, and where human talents and abilities become sufficiently developed so that the absurdity of capitalist relations become clear (Gorz 1975, Horvat 1982, Greenberg 1986).

Mohamed (1989, p98) states that while Maller mentions workplace participation as a 'road to socialism', Japanese practice shows that workplace participation is geared to intensify production on the shop-floor. This is seen by Mohamed as a vindication of his argument concerning the struggle for socialism: "visions of socialism can only come from a destruction of the capitalist

relations and not from within the capitalist relations" (1989, p 98).

In my opinion the Japanese experience is hardly a good argument for rejecting workplace participation as a 'road to socialism'. The main theorists of such a road to socialism have based their assumptions on decision-making involvement, worker influence and control and the conflict between capital and labour - not upon communication and co-operation as in Japan (see Hashimoto 1990). Mohamed (1989, p 98) points out weaknesses in arguments about the struggle for socialism going through worker participation or trade union struggles, and says that roads to socialism can only be debated from within wider political organisations. Cressey and MacInnes (1980) have made this point before and Maller (1989a, p 99) has supported it.

However, 'the participa-

tory left' does not tell us that the struggle for socialism occurs *only* through worker participation. What it does tell us is that workers' class-consciousness is a necessary part of the struggle, and that decision-making involvement cannot be rejected as *one way* of increasing it.

Mohamed (1989, p 99) obviously finds it important to distinguish between offensive trade union responses to workplace participation and more strategic or defensive ones. What I find more important however is to start *acting* instead of responding. Trade unions should work out a policy on workplace participation as an *offensive strategy* rather than as a response. Management's focus on the concept is unlikely to wane, and it is easier to influence the re-organisation of work and workplaces before such re-organisation is implemented than after.

Furthermore, it seems to me that the response from

The road to socialism: through unions or broader politics?
Photo: Benny Gool/Afrapix

trade unions thus far, as well as the debate in the *Labour Bulletin*, has been dominated by managements' understanding of workplace participation. Hopefully, when the trade unions start working out a program on worker participation, the debate can include perspectives about the possible gains of workers' involvement in decision-making (directly or through trade union representation) as opposed to possible gains by engaging in communication or consultation with management. ☆

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