Responding to Mike Emmott:
What 'industrial relations' suggests should be at the heart of 'employee relations'

Starting points

I have two reasons for responding to Mike Emmott's CIPD *Change Agenda* that asks 'What is employee relations?' The first is to bring people up-to-date with the state of the academic study in the area and the contribution that it's making. I don't know if he intended it to be a red flag to a bull, but what Mike had to say about the contribution that 'industrial relations' academics have made, or I should say hadn't made, certainly had that effect on me. My first reaction to comments like there seems to be 'little energy left in a distinctive industrial relations field of study' was one of amazement. Mike's one of the best informed practitioner representatives I know. Yet here he was saying things that didn't ring at all true to me. Mike's paper not only offered a challenge and an opportunity to try to put things straight, but also to do something that is rarely possible in these days of university Research Assessment Exercises and pressure to write for the learned journals – to give an overview of a subject area rather than a detailed analysis of one particular issue.

My second aim in responding is to contribute to the debate that Mike's *Change Agenda* aims to stimulate about the key challenges facing HR/ER practitioners if they are to make a real difference to business performance. I have no quarrel with the emphasis that Mike puts on engagement. Indeed, I think that engagement is, if anything, a bigger challenge than Mike suggests. I also believe his discussion needs go much further in following through the implications of his conclusions. I think that it is here that an appreciation of modern industrial relations thinking can help considerably. HR/ER managers may find these implications uncomfortable and choose to ignore them, as I think Mike does in his review. If they do, however, they only have themselves to blame for further years of frustration – trying to do the wrong things better can only bring limited satisfaction and will do little to increase engagement.

In the annex, I spell out how I see the study of industrial relations – its scope, its relevance, its key perspectives and so on. There are, as I try to explain there, significant differences in approach and the assumptions underlying them. But I believe that there is also a great deal of common ground, which makes it meaningful to talk in terms of an 'industrial relations' tradition. Crucially important to bear in mind is that most of us working in this tradition don't

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equate industrial relations or employment relations or employee relations with the collective dimension as Mike does. Incidentally, this is why I combine the acronyms HR/ER throughout. The terms are typically used synonymously and cover the employment relationship, its 'governance' and the implications - in particular for the quality of working life and economic performance.

The reason why industrial relations came to be associated with trade unions and collective bargaining is because this is where practice and policy were focused for so many years. They still are, of course, in most EU member countries. Industrial relations' analytical focus, however, has not been restricted to the collective dimension.

Although industrial relations is mostly taught in management and business schools in the UK, its intellectual roots are firmly rooted in the social sciences. Crucially, it doesn't see itself serving one particular interest group. In so far as it is possible, it seeks to hold a mirror up to what goes on in the world of work, its practical relevance laying in the improved quality of the data and analysis that it makes possible.

Its focus and approach means that industrial relations brings a distinctive and sometimes uncomfortably critical perspective to things. It views the employment relationship as having not just an economic dimension, but significant psychological, social, legal and political ones as well. It sees the employment relationship as one joining two parties of very unequal power that is characterised by incompleteness and uncertainty, helping to explain why conflict as well as co-operation is a regular feature. It holds that institutions matter because the 'governance' of the employment relationship, i.e. 'the rules of the game', and the extent to which they are regarded as legitimate are fundamentally important in influencing people's conduct. It regards 'negotiation' as the critical process in dealing with the incompleteness and uncertainty of the

employment relationship whether or not collective bargaining with trade unions takes place. It considers 'negotiation', moreover, to be not just about exchange and decision making but also influencing relationships.

Overall, industrial relations sees the management of the employment relationship taking place within a context that is set not just by the organisation, but also the wider society in which it is located. It's this embeddedness that helps to explain the considerable institutional diversity to be found from one country to another. It's this institutional diversity, in turn, that helps to explain differences in the quality of working life and economic performance.

I appreciate that the way academics use different labels such as 'industrial relations', 'employment relations', 'employee relations', 'human resource management', 'personnel management' and so on can be confusing. I have to confess that, like everybody else, academics have had to learn the marketing game. My teaching experience at Warwick confirms what's implicit in Mike's paper - you can't 'sell' industrial relations to managers these days even if it's presented in terms of what they need to know. While undergraduates were, and still are, quite comfortable with the term, their MBA counterparts turned against it in the early 1980s. Give them very similar material labelled as 'human resource management' (HRM), however, and they are reasonably happy – HRM's emphasis on 'strategy' goes down especially well. By contrast, 'personnel management' is something I have never been able to get MBA students to take seriously – a low level administrative function in their eyes.

A vibrant field of study

Mike quotes some of my academic colleagues (Peter Ackers and Adrian Wilkinson from the UK and John Budd from the USA) to suggest that the study of industrial relations is in bad shape. There is undoubtedly a lot of navel gazing going on

and sometimes my colleagues can say things that, taken out of context, can be quite damaging. Much of this is so much academic froth, however. Believe it or not, but both the sources quoted see their work to be significant attempts to re-build the subject.

My own view is that the study of industrial relations in the UK is in a pretty rude state of health – more so than it has been for a couple of decades. Membership of the British Universities' Industrial Relations Association (BUIRA), which is the umbrella body, stands at record levels (around 650). Most members are also pretty young, which is important for the future. Specialist Masters programmes such as those at the LSE and Warwick continue to thrive. Members of BUIRA will be found teaching relevant modules on most major MBA programmes as well as CIPD courses.

BUIRA Members also help to sustain no fewer than seven journals in the area – a testimony to high levels of research activity. They are the long standing *British Journal of Industrial Relations*, the *Industrial Relations Journal* and *Employee Relations*, along with the recent additions, i.e. the *International Human Resource Management Journal* and *Human Resource Management Journal*, both of which were launched in 1990, and the *European Journal of Industrial Relations and Historical Studies in Industrial Relations* started in 1995 and 1996 respectively.

Mike says that Hugh Clegg's standard text on "The system of industrial relations in Great Britain" (1970) looks massively dated today". Hugh recognised it was outdated as soon as he had written it, re-wrote it as soon as his many public activities allowed and published a revised edition in 1979. George Bain took over the mantle and published a successor in 1983. The baton passed to Paul Edwards, who brought out yet further editions in 1995 and 2003. A further edition, to be edited by Trevor Colling and Mike Terry, is in preparation.

In the meantime, the first edition of Blyton and Turnbull's 'young pretender', *The*

Dynamics of employee relations, came out in 1994 and the third edition appeared in 2004. I think I'm also correct in saying that the CIPD's own *Employee relations* has gone through three editions. They may or may not be reading them, but a lot of people are buying industrial relations textbooks … and this is on top of the many texts on personnel management and human resource management that authors from the industrial relations tradition are writing.

A significant contribution

The collective dimension

I appreciate that people reading this will be interested in industrial relations' practical insights. Let's begin by focusing on Mike's narrow definition of 'employee relations' i.e. the collective dimension. My view is that most of the key slots are covered. I'm thinking for example, of the main issues involved in trade union recognition, the structure of collective bargaining (the subject, units, levels and form) and managing conflict (including different forms of conciliation, mediation and arbitration). The issues of co-ordination and control of bargaining outcomes also feature.

Now Mike might say that there is little that is new here. I don't deny this. I'm very happy to say that the best thing written on negotiation (Walton and Mckersie's *Behavioural theory of labour Negotiation*) was produced 40 years ago or that the most informative work on bargaining units is that of the Commission on Industrial Relations published in 1974. Yet this is not to deny its relevance. The Highway Code doesn't change very often either and for good reason.

If it's 'new' that the HR/ER manager must have, though, I would point them in the direction of 'partnership'. I can't think of an angle that hasn't been covered in recent years. The HR/ER manager will find chapter and verse on a range of 'partnership' initiatives, analysed from almost every conceivable point of view. They will find the advantages and disadvantages discussed in

equal measure along with the likely reactions of different trade unions – see for example, Robert Taylor's review of the Economic and Social Research Council's (ESRC) 'Future of work' programme studies. Crucially they will find suggestions on the basic requirements of effective partnership arrangements.

I would also suggest that that most of the recent serious work on information and consultation has been done by colleagues working in the industrial relations tradition. Look at the work that Paul Marginson and his colleagues on European Works Councils or the case studies that Mark Hall has completed for the IPA in the light of the passage of the Information and consultation of employees Regulations. Or, if I'm allowed to blow my own trumpet, the 'good' practice materials that I produced with the help of Acas' Senior Advisers for www.acas.org.uk.

I don't want to embarrass Mike too much. I have to remind him, though, that the CIPD has itself sponsored some of the best of this information and consultation work. I'm thinking here of the excellent publications that Phil Beaumont and Laurie Hunter have produced. Laurie and Phil have been members of BUIRA for as long as or longer than I have, which is 35 years. The publications combine survey and case study evidence to produce the kind of critical and sensitive analysis of process and policy issues that is the hallmark of the best work in the industrial relations tradition.

Perhaps the most critical point to come out of this research, though, involves the role of management. Far from being a passive spectator of events, British management emerges as the critical actor. The reluctance to hold to national agreements, the denial of support to effective workplace trade unionism, the reluctance to engage in serious social dialogue at national level, the limited role allowed for consultation – all of these have been profoundly influential in helping to explain the chequered development of industrial relations in the UK in recent times.

It may not be a message that Mike wants to hear, as I will argue in more detail below. But if there is one thing working in Fleet Street in the 1960s taught me, it is that there is a great deal in the adage that management gets the industrial relations (and the trade unions and the levels of engagement) it deserves.

The individual dimension

Industrial relations' contribution doesn't stop with the collective dimension, however. There is hardly any area of HRM or personnel management on which industrial relations has not had an impact in recent years. If people want confirmation, they should go to the ESRC 'Future of work' programme website, where they will find the details of publications arising from its many projects. If it's summaries they're after, they should download Robert Taylor's excellent overviews of myths and realities in the world of work, diversity, work-life balance, skills and innovation, managing workplace change and 'partnership'. There's even one on the future of employee relations! They should also read Richard Worsely and Michael Moynagh's evidence-based projection of future trends and developments (*Working in the 21st century*) drawing on the programmes' findings.

I would also refer HR/ER managers to the fourth and latest edition of the *Personnel management in Britain* series I launched in 1989. *Managing human resources: personnel management in transition* has just appeared under Stephen Bach's sole editorship, making it easier for me to sing its praises. In it, the reader will find review essays summarising the latest research findings and their implications for policy and practice in virtually every area. If they want to know about performance management they won't find better than the chapters by Stephen Bach and Ian Kessler respectively. If it's equality and diversity that's their interest, they can read Linda Dickens' chapter; if it's participation and involvement, they have a

Responding to Mike Emmott

chapter by Mick Marchington and Adrian Wilkinson, whose work they will know from their CIPD studies. David Guest of 'psychological contract' fame covers management development and career management. Incidentally, seeing managers as employees and managing managers are areas where the industrial relations tradition has made considerable headway in recent years – as well as David Guest' chapter, see also the work of John Storey and his colleagues. Even the 'murky' areas of discipline and attendance feature. In this case the author is Paul Edwards and there is everything the reader needs to know.

In case anyone should think that this a 'Johnny-come-lately' initiative, I should add that most of the authors did a similar job for the 2000 edition. Many also featured in the 1994 and 1989 editions.

I appreciate that the reader has to invest time to get the best out of these materials – the chapters in Stephen Bach's collection are 8,000 to 10,000 word essays rather than bullet point presentations. Arguably, though, it's the refusal to spend the time thinking issues through that so often leads to failure. I appreciate too that the HR/ER manager will come across much that is challenging and extremely uncomfortable given the prevailing thinking and practice in many organisations. The material is not for those looking for quick-fix solutions or for the faint-hearted who can't stand their beliefs being questioned. No one can justifiably say, though, that there isn't evidence of very considerable energy and vitality.

Improving the evidence base

It is here that I also have to remind Mike about the contribution that the industrial relations tradition has made to improving the evidence base for practice and policy. It was largely the industrial relations community, it must not be forgotten, that was responsible for launching the Workplace Industrial/ Employee Relations Survey in 1980 – this began life as the Industrial Relations

Research Unit's (IRRU) workplace survey. WERS, which is internationally renowned, is now in its fifth iteration, each one building on the empirical research that has been undertaken in the meantime.

There have also been very significant spin-offs. I'm thinking in particular of IRRU's Company Level Industrial Relations Surveys (CLIRS) of 1984 and 1990. Here too things have far from stood still. Most recently, there has been ESRC agreement to fund a major survey of multinational companies involving IRRU and former IRRU colleagues at De Montfort and Kings College London.

I also can't resist closing this section without also mentioning what I think has been one of the most significant impacts of the industrial relations tradition. It is the impact on the CIPD itself no less. Around 1985, when I started work on the *Personnel management in Britain* series, the then IPM was very much locked into what might be described as the 'prescriptive' tradition. Most of its publications, in other words, contained the word 'should' in every other line and yet there was virtually no evidence base whatsoever for what was being recommended. By the time the third edition came out in 2000, the position had been transformed. The CIPD had become a major funder and contractor of empirical research. In the introductory chapter to the third edition, Stephen Bach and I could confidently talk about the fusing of the different traditions – industrial relations, labour process theory and prescriptive personnel management.

I'm not claiming, I hasten to add, that the *Personnel management in Britain* series brought this change about. I am saying, though, that it was the industrial relations tradition's emphasis on empirical enquiry and its development of surveys that were major consideration.

Responding to Mike Emmott

Notes and references

Peter Ackers and Adrian Wilkinson's views will be found in the introductory chapter to their 2003 edited collection, *Understanding work and employment. Industrial relations in transition*, published by the Oxford University Press.

The quotation from John Budd will be found in his 2004 book, *Employment with a human face. Balancing efficiency, equity and voice*, published by Cornell University Press at Ithaca.

The full reference for the latest version of the Warwick-based textbook is Paul Edwards (ed). 2003. *Industrial relations: theory and practice*. Oxford: Blackwell.

The publisher of Paul Blyton and Peter Turnbull's 2004 edition of *The Dynamics of employee relations* is Palgrave.

The full reference for Walton and McKersie is Walton, R.E. and McKersie, R.B. 1965. *A Behavioral Theory of Labor Negotiations*. New York: McGraw-Hill. There was a re-print in 1991 followed by a new book in 1994 that updated the argument (*Strategic Negotiations*) and involved Cutcher-Gershenfeld as a co-author.

Paul Marginson, Mark Hall, Alene Hoffmann, and Thorsten Mueller. 2004. 'The Impact of European Works Councils on Management Decision-Making in UK- and US-based Multinationals' *British Journal of Industrial Relations* 42.

Mark Hall' case studies will be found on www.ipa-involve.com, along with those of Robert Stevens.

Phil Beaumont and Laurie Hunter have produced two recent books on information and consultation for the CIPD: *Information and consultation: from compliance to performance* in 2003 and *Making consultation work: the importance of process* in 2005.

Details of the ESRC 'Future of work' programme, including Robert Taylor's summaries will be found at www.leeds.ac.uk/esrcfutureofwork. Richard Worsely and Michael Moynagh's 2005 summary of the 'Future of work' evidence, *Working in the 21st century* is published jointly by the Economic and Social Research Council and

The Tomorrow Project. Further details are available at www.leeds.ac.uk/esrcfutureofwork and www.tomorrowproject.net

Stephen Bach's *Managing human resources: personnel management in transition* was published by Blackwell at the end of 2005.

For further details of John Storey and colleagues' work at the Open University, see his chapter on 'Management development' in Keith Sisson (ed). 2000. P*ersonnel management: a comprehensive guide to theory and practice*. Oxford: Blackwell. For his international Anglo-Japanese comparison, see John Storey, Paul Edwards and Keith Sisson. 1997. *Managers in the making: Careers, development and control in corporate Britain and Japan*. London: Sage.

The results of the IRRU survey were published by Blackwell in 1981 with the title *The Changing Contours of British Industrial Relations*. Willy Brown, now Professor of Industrial Relations and Master of Darwin College, Cambridge, was the editor.

The main results of the 1985 CLIRS were brought together in *Beyond the workplace: Managing industrial relations in multi-establishment enterprises* published by Blackwell in 1988 (Marginson, P., Edwards, P., Purcell, J. and Sisson, K.). The main results of the 1990 survey were published in a series of papers and articles. See, for example, Marginson, P., Armstrong, P., Edwards, P. and Purcell, J. with Hubbard, N. (1993) 'The Control of Industrial Relations in Large Companies'. *Warwick Papers in Industrial Relations*, 45. Coventry: IRRU University of Warwick. See also Marginson, P., Armstrong, P., Edwards, P. and Purcell, J. (1995) 'Extending beyond borders: multinational companies and the international management of labour' *International Journal of Human Resource Management* 6(3), 702-19.

In a recent *British Journal of Industrial Relations* review of books dealing with theoretical developments in the area (Volume 43, No 3, September 2005), Peter Ackers asks why industrial relations in the UK appears to be in better health than in the USA. He suggests, although not with a great deal of conviction, that it may have something to do with the greater

Responding to Mike Emmott

resilience of trade unions and collective bargaining in the UK. He also highlights the return of a Labour Government in 1997.

My view is that there are four main reasons for the difference. Briefly, they are:

1. In the UK, as Peter Ackers recognises, the subject has been a broader 'church' than it has in the USA. Arguably, the history that was the starting point for several of the pioneers in the UK was more accommodating of other disciplines than the economics that dominated and still dominates industrial relations in the USA. Being a broad 'church' means that it has been possible to have internal debates that have helped to generate and sustain a considerable amount of vigour – the debate over the strengths and weaknesses of 'pluralism' between Hugh Clegg and Richard Hyman in the late 1970s/early 1980s is one example; the more recent debate over 'partnership' and its implications is another.

2. In my view UK industrial relations did a better job in absorbing the thinking of labour process theorists. Paul Edwards' work in the 1980s, notably his 1986 *Conflict at work: a materialist analysis of workplace relations*, was especially important here, helping to bring the concept of 'materialism' discussed in the Annex into the mainstream.

3. I think that UK industrial relations also coped better with the coming of 'human resource management' (HRM) – indeed, some colleagues reckon that industrial relations itself was largely responsible for creating the HRM phenomenon in the UK. Most teachers and researchers of HRM are in membership of BUIRA and industrial relations' research tradition of critical empirical enquiry is the dominant approach. Important considerations here were the lessons some of us drew from the US experience and the key role accorded to management in the later works of such influential UK figures as Allan Flanders and Hugh Clegg. The one confirmed that insisting on a narrow equation of industrial relations with trade

unions and collective bargaining offered no future as well as making little intellectual sense, while the other gave the confidence to take on board the issue of managerial strategies as a legitimate and, indeed, timely focus for industrial relations research.

4. The fourth consideration, which Peter Ackers alludes to, is the European connection. In my view, this is particularly significant. The development of the European social dimension in the second half of the 1980s created opportunities to inject a fresh impetus. In particular, they made it possible to establish major cross-national groupings, such as the 'Industrial Relations in the European Community' or IREC network, produce new textbooks (for example *Industrial relations in the new Europe* and *New frontiers in European industrial relations* edited by Anthony Ferner and Richard Hyman) and even launch a new journal (the *European Journal of Industrial Relations*). It was on the basis of the significance for the UK of EU developments that it was also possible, very much against the tide, to secure continued ESRC funding of IRRU in the early 1990s. As the Annex argues in more detail, perhaps the most important benefit has been the increasing contact that many of us have had with European colleagues, helping in particular to re-invigorate UK industrial relations' long-standing emphasis on institutional analysis.

Responding to Mike Emmott

The 'knowing-doing' gap

I must admit that I don't fully understand why commentators like Mike seem so reluctant to recognise industrial relations' contribution. I appreciate that dominant metaphor of British managers is of 'action man/woman', who doesn't have time to read. I appreciate too that academics don't always write in language that practitioners understand. I readily accept as well that we have often not been very good in moving from implications to recommendations.

I don't believe, though, that anyone can justifiably level these criticisms at the work of Robert Taylor for the ESRC's 'Future of Work' programme. Robert is the former *Financial Times*' employment editor no less and, as might be expected, has done an excellent job in 'translating' the programme's findings into language that practitioners cannot fail to understand. He's also teased out the key practical and policy implications in each of the main areas. Yet even his work has scarcely raised any comment – Mike, for example, doesn't give it a single mention.

In the language that Mike himself uses in talking about the effective management of performance, I think there is not only a substantial gap between what managers know and what they do (Pfeffer's 'knowing-doing gap'), but also between what they know and what they're prepared to recognise they know. I'd also like to offer two mutually reinforcing if slightly unconventional explanations for these gaps before moving on. I think that it's important to air these if there is to be a realistic debate about rising to the challenge of engagement.

Ideological considerations

The annex highlights the increasing importance attached to the role of ideas and ideology in industrial relations in particular and the social sciences more generally. Personally, when this topic crops up, I'm reminded of Walton and Mckersie'

A behavioural theory of labour negotiation mentioned earlier. For me, this is one of the all-time 'great' industrial relations books. Those who are familiar with it – it underpins the better commercial negotiation packages, albeit rarely credited - will remember that one of the sub processes of negotiation that Walton and Mckersie identify is 'attitudinal structuring'. Negotiation is not just about 'bargaining', in other words, it's also about agenda-setting and preference-shaping. Moreover, Walton and Mckersie emphasise, ideas also carry greater weight if the party articulating them can convince other parties that they are themselves totally committed.

I think that there is a great deal of 'attitudinal structuring' going on. I'm not suggesting here that people deliberately go out of their way to mislead. I think that it's undeniable, though, that there is a battle of ideas taking place. I also think that a key element in this is a discourse that talks about the 'decline of industrial relations'. It does of course pick up many of the realities as Mike does. Trade unions in the UK are in decline and so is collective bargaining. But the discourse goes much further to imply that there has somehow or other been a sea change in attitude and approach that makes redundant much of the thinking associated with industrial relations, i.e. that the employment relationship involves conflict as well as co-operation, that power is an all-important consideration, that institutions matter and so on. Anyone attempting to remind people that these things are so doesn't get a sympathetic hearing. Even to recognise the possibility that there may be some truth that has to be engaged with is very difficult - it's as if to recognise the possibility is to undermine the commitment to the starting proposition. The result is little short of a state of denial.

If I needed to be reminded, my recent time spent working with Acas brought home to me how hostile many practitioners and

policy makers are to suggestions that 'people problems' are a matter of 'institutions' rather than individual attitudes. 'Institutions' are pilloried as something that gets in the way of flexibility. Seemingly, it's only at times when they are not fully in control, as was the case in the 1960s and 1970s, that managers accept the 'institutions matter' argument – in this case, remember, it was a question of disputes procedures.

The irony is that 'flexibility' rarely means what the lay person understands by the term. Basically, it means 'doing what managers want', which is not the same as 'flexibility' at all. In practice, as Jon Clark's study of Pirelli's Greenfield Aberdare operation so graphically illustrates, managers have great difficulty in coping with what most of us think 'flexibility' means.

The antipathy to 'institutions' is mirrored and reinforced at national policy level. Neo-liberalism in macro-economic policy making means that the emphasis is on markets and freeing them up. Institutions such as collective bargaining or individual employment rights are largely seen as 'imperfections' in the working of markets rather than necessary to give them shape and direction, which is what the industrial relation tradition emphasises. Moreover, public intervention can only be justified in terms of market 'failure' – the possibility of institutional 'failure' is not even entertained. Even when it's difficult to deny that there is a 'British management problem' rather than a 'British worker problem', the emphasis is placed firmly on leadership styles rather than the institutions within British managers have to work. Compounding matters is that public intervention not only has to be evidence-based, but also macro in scope and so econometric. This means the prioritisation of the measurable over the immeasurable and the formal at the expense of the informal. In the circumstances, it isn't perhaps surprising that the Treasury finds it so difficult to contemplate 'Maximising potential in the workplace' as a public service agreement target.

The significance of 'path dependency'

My second explanation gets us further into policy making and what in the jargon is known as 'path dependency'. There is an understandable assumption that policy makers, be they at organisation or national level, have considerable 'strategic choice' in what they do. If there are constraints, they are to do with the 'market'.

In my experience, it isn't like this. Policy making is a very much a political process. The language of the 'market' and of competition may be used to justify action or inaction – think how often globalisation appears in prime ministerial speeches about policy in the area. But more often than not it's past decisions about institutions that set actors on a particular course that they find it difficult to deviate from even if the situation demands it. Very importantly, too, these decisions also give some a position of privilege and strength to block change.

Fritz Scharpf, who is one of Germany's foremost policy process analysts, puts in nicely in discussing the immense difficulties of changing long-established pension and social protection arrangements in EU countries. It is the "path-dependent constraints of existing policy legacies" and the "institutional constraints of existing veto positions" that deserve our attention in understanding why things happen or don't happen.

I'm suggesting, in other words, that there is a very strong tendency for policy makers, at both organisation and national level, to ignore arguments or research that have implications that are difficult or controversial for them to implement. Again, it's difficult to avoid talking in terms of a state of denial. I think this is above all true of issues such as work organisation. The considerable investment in existing arrangements, coupled with the vested interests of key groups of managers, puts a very high price

on change. This is why significant change rarely takes place in other than crisis or 'green field' situations.

Let me quote a personal experience. I spent quite some time in the middle 1990s working on the European Foundation for the Improvement of Living and Working Conditions' project investigating the role of direct participation in organisational change. The so-called EPOC project involved reviews of the literature, the position of the social partners and a major ten-country survey of the incidence of the different forms of participation and their impact. I was involved in each of these phases and edited the analysis of the survey results. No one quarrelled with the findings, which confirmed that the more forms of participation that were used, collective as well as individual, the bigger the impact. Many of them are consistently quoted. Yet little has happened – even the European Commission's 1996 Green Paper, *Partnership for a new organisation of work*, which I believe is one of the most sensible statements on the issues, was set aside.

Put bluntly, EU and national policy makers were reluctant to face up to the implications. For what the project and the debate confirmed were that management itself was the biggest barrier to the reform of work organisation. But it was a time of relatively high unemployment. The obvious ways forward, involving legislation, collective bargaining and the usual financial 'carrots and sticks', were ruled out of court because of their political sensitivities. Even 'soft' solutions like compulsory social reporting, which the Gyllenhammer committee recommended in their interim report in 1998, were regarded as a step too far. Instead, borrowing from the academic excuses toolkit, there was a decision to try to identify 'good practice' cases, leading to the setting up of the EWON network.

Of course the outcome of the policy process was never expressed like this. Rather resort was had to the ideological

considerations touched on earlier. There was no one best way of doing things. Getting managers to change was largely a question of attitudes. There was no need for any change in institutions, which would add to the burdens of business etc etc.

Responding to Mike Emmott

change (Office for the Official Publications of the European Communities, Luxembourg).

Notes and references

Jeffrey Pfeffer's *Knowing_doing gap: How successful companies turn knowledge into action* was written with Robert Sutton and published in 1999 by the Harvard Business School Press of Cambridge, Massachusetts.

Jon Clark's study of Pirelli's Greenfield Aberdare operation is written up in his 1995 *Managing innovation and change*. Sage was the publisher.

'Maximising potential in the workplace' is one of five strategic priorities in the DTI's current strategy. According to the 'Summary of the Objective Delivery Plans' going with the DTI's Business Plan for 2005-08, however, few aspects made it into the holy of holies of PSA (Public Service Agreement) targets. Notable omissions include any reference to its contribution to the productivity agenda under 'Productivity (No 1), 'World class Science and Innovation (No 2), 'Enterprise' (No 6) or 'Strengthening Regional Economies' (No 7). 'Maximising potential in the workplace' relates only to 'Gender Equality' (No 9) and Ethnic Minority Employment' (No 10) and then only in general terms.

The Scharpf quote will be found in his 2000 article on 'The viability of advanced welfare states in the international economy: vulnerabilities and options'. *Journal of European Public Policy*, 7(2), 190-228.

Full details of the publications rising from the EPOC programme are available from the European Foundation for the Improvement of Living and Working Conditions. Further details will found at www.eurofound.ie

The European Commission's 1997 Green Paper *Partnership for a new organisation of work* was published by Office for the Official Publications of the European Communities (Luxembourg).

The final version of the Gyllenhammer Committee report was published in 1998 as *Managing change. Final report of the high level group on economic and social implications of industrial*

Rising to the challenge of engagement

I want now to move on to the main challenge facing HR/ER managers. I agree with Mike that it is to improve the engagement of employees. At one level, to quote Mike, this represents an "aspiration that employees should understand, identify with and commit themselves to the objectives of the organisation for which they work". More concretely, it means that employees "make a willing contribution, help out others, are absent less often, and are less inclined to leave".

If anything, I believe the challenge is even greater that Mike suggests it is. It isn't just that CIPD and Future of Work surveys suggest that many people are dissatisfied at work, complain about bullying, feel they have less discretion and have little scope to exercise their initiative. The UK also has relatively poor levels of productivity compared to other major countries. Moreover, this is as true of services as it is of manufacturing. Here, remember, international comparisons, such as the 2003 Michael Porter report for the DTI, suggest that the UK lags behind other countries in their adoption of management practices associated with high performance working. Looking ahead, the changing context that features so strongly in industrial relations analysis also suggests that the need for engagement will intensify.

I also believe that the answer to his question "Has the decline in collective bargaining left a gap organisations need to fill?" is a resounding "yes". The answer to the question "Are they filling it?" is an equally resounding "no". I appreciate considerable resources are going into motivational programmes in the attempt to promote engagement. I believe, though, that these are merely dealing with the symptoms rather than the underlying causes.

The changing context

Let me begin by explaining why I think the

need for engagement will intensify.

The changing structure of employment

On the 'demand' side, intensifying international competition in a global market place, especially from China, makes it ever more difficult for UK manufacturers to compete on the basis of low costs. The implication is that they will not survive if they don't go up market, which means they will need much *greater* levels of engagement than in the past. Also I don't see how they will be able to sustain the high management overheads of traditional 'command and control' structures. People will really make the difference.

International competition is also important in some service sectors, such as finance and information technology. Here countries like India pose the challenge. Also significant, though, are the increasing demands of domestic customers - for higher standards of service as well as greater availability and extended opening hours. Much of the service sector cannot be off-shored, but is not immune to these demands.

Especially critical in services is the relational nature of work. Employees interact with a range of customers and suppliers and their behaviour has a critical impact on the success of the business. Engagement is again an imperative and hardly fits with the 'command and control' approach that many managers seem intent on having.

It isn't only changes in demand that are important, however. The implications of changes in supply are no less radical. Especially prominent is the impact of the demographic changes that most established EU member states are experiencing to a greater or lesser extent.

❖ declining birth rates mean that by 2011 under 16s will make up only 18 per cent of the population in the UK;

Responding to Mike Emmott

❖ increases in longevity, plus more young people into higher education, means the 'greying' of workforce - by 2006, 45-59 year olds will form the largest group in the workforce;

❖ the workforce is becoming increasingly 'feminised' - by 2011, 82 per cent of extra jobs will taken by women;

❖ the role of people from ethnic minorities is likely to be become increasingly significant – they could account for no less than 50 per cent of growth in working population over the next decade;

❖ migrant workers already make up much of the labour supply shortfall and are likely to continue to do so.

Overall, UK management faces the prospect of a very different labour market from the one they have been used to. Instead of labour surplus, there will be labour scarcity.

The changing composition of the workforce will also have profound implications. The pressure on governments to take equality seriously is likely to grow. The Equal Pay Act has been in force for some thirty years, but there is still an 18 per cent gap between the average hourly rate of pay for men and women. Long-term pension problems, coupled with age discrimination legislation, mean that governments will be anxious to ensure that more job opportunities are available to older workers as well. Similarly, the costs of invalidity benefit, allied to worries about the damaging effects of social exclusion, mean that government will be pressing for more openings for groups that haven't traditionally figured in employers' recruitment thinking. There are 6.8 million disabled people of working age, but only half are in work,

I expect that one of the ways in which businesses will respond to the pressures is to outsource as many non-core activities as they can. If they haven't already done so, however, they will quickly find that,

whatever else it does, outsourcing does not resolve the immediate problem. The engagement of employees in the supply chain will remain a key factor in the success of the 'core' business.

Moreover, the development of an 'hour glass' economy, involving a considerable gulf between 'good' and 'bad' jobs, is likely to become an increasingly sensitive social and political issue. In as much as the outsourcing of large organisations comes to be identified as a major contributor to the divide, the pressure will grow on them to do much more to alleviate the consequences of the poor conditions and even poorer opportunities to which many people are going to be condemned. Here the Pandora's box that is corporate social responsibility could reveal itself with larger organisations being increasingly held to account for their activities. These are points to which I will return later.

Changing patterns of regulation

I also believe that recent developments in the patterns of regulation will make securing engagement more difficult. There has undoubtedly been a decline in our traditional institutions. Most obviously, there has been a decline in collective bargaining in the private sector, along with trade unions and employers' organisations. The main factor, which distinguishes the UK from other major EU member countries, is the decline of national multi-employer agreements. Outside of public services, these are now very rare. A workplace-based recognition process presents trade unions with a 'catch 22' situation: they have to have members before they can reach collective agreements; but it's difficult to recruit members unless the benefits of collective agreements are available.

It's here that the shifts in employment structure make their important contribution. Organising small workplaces *and* part-time workers is especially difficult. Making matters worse from a trade union view point

is that extensive outsourcing and subcontracting also very often mean the removal of 'non-core' employees from the collective agreement coverage of the larger companies.

I believe that the decline of collective bargaining is important for two reasons. It doesn't only mean that large sections of the workforce no longer enjoy the benefits of the additional standards that come from collective agreements. I'm thinking in particular of those increasingly vulnerable workers in the bottom half of the 'hour glass' economy. It also means a decline in the legitimacy of workplace governance arrangements more generally. One of the things that collective bargaining brings is the opportunity for employee 'voice' not only in the making of the rules but also their administration. From this involvement comes ownership and from ownership a measure of commitment. Not for nothing did many of the pioneers of industrial relations study in the UK and the USA talk about 'private systems of governance', ''industrial jurisprudence, 'industrial self-government', 'secondary systems of 'industrial citizenship' and the like.

It is true that recent years have seen a very substantial growth in individual employment legislation along with the not inconsiderable institutional framework of employment tribunals and equality commissions. The rights approach has its attractions – among other things, it helps to ease the conscience of policy makers and, from a management perspective, encourages the 'individualisation' of the employment relationship. It has its weaknesses, however. Not does it provide for only the most basic of standards, when the focus should be on continuous improvement, but it also brings little or no ownership. A very unfortunate consequence too is the growth of legal dependency. The parties to the employment relationship are encouraged to resort to legislation rather than trying to sort things out for themselves. The issue of enforcement inevitably rises up the agenda. Hardly surprisingly, none of this helps to promote engagement.

As a footnote, it's easy to blame EU initiatives for the slide into legal dependency. The social dimension that European integration has spawned has revolutionised the pattern of regulation in ways that are almost certainly irrevocable whatever the UK's future relationship with Europe. The *acquis* has touched on virtually every area of industrial relations other than association, industrial action and wage determination. The irony is that the decline of multi-employer bargaining at national level means that the UK has been unable to take maximum advantage of the flexibility increasingly been built into EU legislation. In effect, the *acquis'* 'soft' regulation has been tantamount to 'hard' in its impact in the UK. Standards and entitlements have been laid down in law, with mechanisms other than collective bargaining, such as employment tribunals and/or the courts, ensuring compliance and redress.

Major issues

It's against this background that I want to highlight the major issues that I believe HR/ER managers will have to grapple with if they are to have any success in promoting engagement. My suggestions are specifically targeted at the larger organisations, although they have significant implications for SMEs as well. They also have a national policy as well as an organisational dimension, reflecting another key assumption of industrial relations thinking – that organisations are not islands unto themselves and workplace developments cannot be understood in isolation of developments in the wider society.

Managing diversity

I put managing diversity at the top of the list because my experience at Acas suggests that HR/ER managers have yet to face up to the full magnitude of the task. As I've

already indicated, the demographic changes that most established EU member states are experiencing to a greater or lesser extent will mean the prospect of a very different labour market from the one they have been used to. It will be highly talented employees doing the picking and choosing with terms such as 'employer of choice' finding their way into recruitment literature.

British employers will also find it more and more difficult for to rely on their traditional sources of labour supply. Many organisations will no doubt try to compete more actively in the same pools and will almost certainly seek to use equality issues as an element in their competitive advantage. But this isn't going to be enough. More government intervention in work-related public finance issues such as pensions and disability benefits is also likely to mean more pressure than ever before to consider non-traditional sources.

It is hard to think of any existing HR/ER policies and practices that will not need over-hauling. Recruitment and selection are obvious areas, but not the only ones. Training and development opportunities will also have to come under the microscope, along with payment and reward.

More attention will also need to be paid to the aspirations and interests of the different groups. It could be more family friendly working on the part of part-time women employees or demands for special holiday arrangements to enable ethnic minority groups to meet their religious obligations. Equally, it could mean very different career paths. In particular, expectations that people will retire at their highest point are likely to have to change – it may be appropriate for the individual as well as the organisation that more opportunities for 'down-shifting' or different patterns of working are introduced as we get older.

Perhaps most in need of change, however, will be changes in the recruitment and training of managers. For example, it will be difficult to appeal to women or ethnic minority groups if these groups are not adequately represented among managers. Many more part-time managers must also be expected. Awareness of and sensitivity to the different aspirations and cultures of the diverse groups making up workforces will be at a premium as well.

Organisational learning

I put learning high on my list because improving quality, as well as value for money, and developing faster and more efficient ways of delivering products and services puts a premium on continuous improvement. It's not just about skills acquisition or individual learning, though. It's about senior managers recognising that 'learning' is what organisations have to do it in order to continuously improve. They therefore have to put 'organisational learning' centre stage and make it the key principle for organising business strategy and developing competitive advantage. This means changing the culture – less blaming and more listening and more experimenting.

In my experience, very few UK organisations approach this model. Most pay lip service to the 'resource-based' view of organisations and probably couldn't identify the particular 'core competences' of their employees that should be a key element in their competitive advantage. Most operate considerably under their potential: they are locked into traditional ways of organising work and management is not fully exploiting the available opportunities to improve performance and profitability. Critically important is that management is not doing enough to make the use of the skills and abilities that employees already have. The result is the perpetuation of a low trust environment in which 'learning' runs in the opposite direction to the continuous improvement and encouragement to up-skilling that policy makers are so keen to encourage. Employees are not only reluctant to embrace management-inspired change, but also prone to deny managers the benefits of their knowledge and experience

of how to do things better.

Looking to the future, my worry is that the massive investment in skills currently in train will not automatically bring about this movement. Equally plausible is that, in what might be described as the "restricted" as opposed to "expansive" learning environment characterising many UK workplaces, this investment in skills will be tantamount to pouring money down the drain.

Employee 'voice'

This is one of the issues on Mike's list. In raising it, he suggests that "lessons from research into employee voice and the psychological contract have been absorbed by employers and reflected in their employee relations policies and aspirations". Given what I've said earlier, it shouldn't come as any surprise if I say that I'm not convinced. I appreciate that there is much more activity on the direct front. As Mike says, mechanisms in use include 2-way communications, project teams and joint consultation, with growing interest in electronic media, attitude surveys and partnership schemes. I question, though, whether there is very much serious team working, by which I mean semi-autonomous group working, more of which below. I also believe that the practice of consultation is relatively limited. In my experience, if it happens at all, it's about the implications of decisions that managers have already taken. There is very little 'option-based' consultation, in which managers discuss the range of possibilities that they are considering before making a decision.

I would also question whether management has been listening to those of us who warn about the lack of collective voice. As Mike says, there is evidence to suggest that "the informal climate of involvement and consultation appears to be more strongly associated than collective machinery for negotiation and consultation with employee satisfaction and

commitment". But there is also evidence, which he doesn't mention, to suggest that the best outcomes come from the combination of direct and indirect or representative voice. Just to quote two sources mentioned earlier, there are the EPOC and the Beaumont and Hunter studies for the CIPD.

Again an industrial relations perspective helps to understand why. Having representatives means that employees are likely to feel more confident about 'voicing' their views frankly and freely. In the absence of representatives to speak for them, employees are likely to be reluctant to express their true opinions directly for fear that their comments might be held against them.

The managerial logic of employee representation mustn't be forgotten either. Discussion of major matters of common interest is very time consuming using only direct methods - which is why larger organisations tend to have some kind of representative council or committee. Such a body can act as a single channel for consulting large numbers of employees, it enables senior managers to see if corporate messages from board level are reaching the organisation and get the considered views of employees directly, and it helps to order employee priorities.

Self-evidently, as the WERS evidence confirms, direct and representative 'voice' systems are complementary rather than alternatives. In the words of the final report of the CBI-TUC Productivity Challenge Best Practice Working Group,

> "Involving individual employees or teams in decisions that affect the day to day organisation of their work helps create a culture of autonomy and responsibility. And systems for encouraging employee feedback and suggestions are key to innovation and building commitment to continuous improvement.

Responding to Mike Emmott

Collective voice is important in building a climate of trust where individual employees are confident that their contribution will be valued. Equally valuable is its role in helping to identify shared objectives and resolve conflict. The involvement of employees' representatives can create the sense of mutuality that is essential for the sustainability of new working practices – the belief that both the employer and workers are reaping real benefits from improvements in work organisation".

Such is the force of these arguments that I've always wondered about the impression that managers opposing representative 'voice' think they're giving to their employees. They can't credibly claim to be genuinely interested in encouraging employee 'voice' if they reject one of its main delivery mechanisms. They can only come across as being afraid of the development of a sense of collective identity on the part of the workforce. In the circumstances, employees can only draw the obvious conclusions about the power relationship that managers wish to maintain.

I would also recommend that HR/ER managers take very seriously the recent arguments of David Coats of the Work Foundation on employee 'voice'. Briefly, he argues that there is a 'broader and stronger case for voice' that goes beyond the conventional argument about the need for a countervailing power in the employment relationship. It is rooted in a 'particular understanding of what individuals need to flourish in the world of work – autonomy, control, possibilities for self-actualisation – as well as notions of individual free speech and expression that are safeguarded by institutions like works councils as well as trade unions'. Crucially, he suggests, there is a strong link with employee health: "Workers whose jobs are characterised by an absence of these features are more likely to fall ill and have lower life expectancies". The links

with mental health are further emphasised in Richard Layard's *Happiness: lessons from a new science*. There are now more mentally ill people on invalidity benefit than there are unemployed.

Work organisation

Mike includes job design in the list of people management and development activities that can contribute to engaging employees. He also recognises that much management culture is still based on "command and control".

I think that work organisation, by which I mean not just job design, but also the grouping of jobs into activities and the co-ordination of these activities, is the institution that matters most in considering the current state of play in the UK. I appreciate that, along with strategy and systems, it tends to be dismissed as part of the 'cold' triangle as opposed to 'warm' square of staff, skills, staff and subordinate goals. In my view, however, work organisation is the foundation of everything else. If it is wrong, which it is in most UK organisations, HR/ER policies and practices will always face an uphill struggle in the attempt to secure engagement. Not only that. In my view quite unfairly, HR/ER managers will also get the blame for the failure of these policies and practices – not the people responsible for the design of work organisation.

A major problem in my experience is that HR/ER managers are rarely involved in the design of work organisation, which tends to be a 'given' as far as they are concerned. Typically, it is the work of operations managers or, even more likely, chief executives. Most of their thinking about work organisation, it seems to me, is also rooted in a manufacturing paradigm or the large scale bureaucracy.

Most importantly, picking up an earlier observation, traditional ways of working have helped to bring about an interest group that effectively has the veto over change.

Responding to Mike Emmott

I'm referring to managers themselves. To put no finer point on it, I'm suggesting that managers have become part of the problem rather than the solution. More managers mean more command and control. More command and control means more alienation. More alienation means more emphasis on 'people problems'. In John Seddon's words, more "people problems" means more emphasis on "'inspection', 'motivational' techniques, irrelevant training and IT 'solutions' that hamper poorer service, poorer working environments and rising costs". It's a vicious circle in other words

The status and benefits packages of managers are extremely high and are also part of the problem. Perhaps not surprisingly, as the GMB has recently argued, everyone wants to be a manager, fuelling the pressure to maintain the status quo. According to Office of National Statistics, more than four million – one in seven of the workforce – are classified as 'managers and senior officials'.

Now there is a debate whether or not this overstates the issues. In the words of Alan Sugar, "Anyone can be called a manager, but that doesn't mean he is a manager. You have to be in charge of people to be a manager". That said, he recognises that calling people 'managers' is part of the 'game' companies feel they have to 'play'.

One thing is clear. International comparisons suggest that more employees in the UK appear to be involved in supervision than in comparable countries – according to the 'Future of Work' programme, for example, the UK has 13 per cent of employees involved in 'supervision', whereas Sweden has only three per cent, i.e. a four-to-one ratio. Managerial hierarchies are not only costly to sustain but also very often stand in the way of employees exercising their initiative.

Looking to the future, I think that one of the most balanced judgements appears in Richard Worsely and Michael Moynagh's

summary of the Future of work evidence, *Working in the 21st century*. They believe that there are some grounds for optimism - more and more companies will be forced by competitive pressures to increase their products' and services sophistication, requiring them to transform their workplaces. Competitive pressures, technology and customer relations will encourage greater decentralisation. Coupled with the increasing attention focusing on winning commitment, it means that individual employees will be given greater discretion.

Worsely and Moynagh add some very important qualifications, however. As research is already showing, where workers have assumed new responsibilities and have had more involvement in work organisation, it seems that there is a strong tendency for managers to seek new forms of control. Most obviously there are rigorous performance targets, peer monitoring, frequent appraisals and other forms of surveillance. Worries about risk are also expected to seriously weaken the delegation of authority. Additionally, Worsely and Moynagh worry that "middle managers may resist the empowerment of workers below them lest they lose influence".

'Unorganised' conflict

Mike recognises that, although workplace conflict is no longer reflected in high levels of industrial action - in fact, 'organised' conflict is largely restricted to public services - the ability to manage conflict remains a key issue. He's absolutely right. 'Organised conflict' may have declined, but 'unorganised conflict' most certainly hasn't. One measure of 'unorganised' conflict is to be found in the figures for Employment Tribunal applications. These showed a seeming inexorable rise from the late 1980s, reflecting the expansion in individual employment rights, changes in the access to rights and attractiveness of remedies, and the changing structure and composition of employment. From 1976 to

Responding to Mike Emmott

1988 the total number of cases hovered around the 40,000 mark each year. Thereafter, it grew year on year, passing 60,000 in 1991, 70,000 in 1992 and 80,000 in 1995. It passed the 100,000 mark in 1996 and 120,000 mark in 2000. Only in recent years has the figure fallen back. Arguably, though, this has very little to do with the incidence of conflict. It is largely to be explained by changes in the operation of tribunal arrangements designed to reduce the number and so the cost of applications.

Absence and staff turnover are also telling indicators of 'unorganised conflict'. Difficult though it may be to believe, fifty times as many days have been lost through absence in some recent years as through strikes. Absenteeism, according to the CBI, costs around £12.2 billion each year.

Again, an industrial relations perspective helps us to explain why. First, the motivation and commitment so critical to organisational performance reflect the job satisfaction and emotional reward that people derive from their work – if the latter are missing, it isn't surprising that former will also be in short supply. Second, you don't have to be a Marxist to appreciate that both 'conflict' and 'cooperation' are inherent in the employment relationship. It isn't just that the 'uncertainty' of the open-ended employment relationship means there is enormous scope for divergent goals and interpretation. Nothing is automatic about the employment relationship – to put management decisions, collective agreements and employment rights into effect requires dialogue, day-to-day consensus building and 'give-and-take'. If this is also missing, it isn't surprising that relationships break down.

My experience is that too many managers mistakenly take cooperation for granted. Some go further and deny that the potential for conflict exists – conflict is something that trouble-makers cause.

Mike recognises the importance of negotiation in the wider sense of the term. My recent experience at Acas suggests that

many managers don't, however. Some of the management audiences I've talked to about information and consultation have became apoplectic at the suggestion that negotiation is a term that covers communications, consultation and collective bargaining. 'Negotiation' is something that management and unions do and is to be avoided like the plague.

Multi-level governance

This raises issues that rarely receive the attention they deserve – who does what and at which levels in the large organisation? How much autonomy should business units and workplaces have? How 'tight' or 'loose' should be head office controls? How does the organisation incorporate the very increasingly amount of employment rights?

Even the SME has to take on board the impact of two levels – the national and the domestic. The large MNC can be involved in multiple levels. Typically, these involve four levels in the organisation – the parent company, the national company, the division (which may be international) and the workplace. Additionally there are the legislative arrangements in each of the countries where the business has a presence, together with EU regulations. Coming in between is the sector level, which European trade unions are increasingly targeting. Moreover, instead of being complementary, the different levels can be competitive, with arguments about their appropriateness being a major issue in failures to progress substantive issues.

Accompanying what might be described as 'levels overload' are 'issue overload' and 'methods overload'. The public services are perhaps the obvious case in point. Arguably, practitioners are being asked to cope with too many issues and too many methods at the same time. The result is an increasingly complex linkage problem as well as massive cynicism about what might be described a 'programmitis', i.e. the desire to be seen to be doing something regardless of its likely

effectiveness. 'Linkage strength' (promoting agreement by widening the scope of negotiations) is giving way to 'linkage stress' (the danger of failure in one area putting everything else at risk). There are also difficulties in articulating relationships between the different levels – for example, specifying 'framework agreements' that do not merely shift the problem from one level to another; balancing 'top-down' with 'bottom-up' initiatives; combining different methods; balancing/ combining different issues, levels and methods.

The more issues, levels and methods, the more complex becomes the 'collective action' problem. In addition to problems of employers and trade union representatives reaching agreement on the horizontal dimension, *second-order* co-ordination problems are also mounting on the vertical dimension. Employers' organisations and trade unions are finding it increasingly difficult to get internal consensus among their members; where the parties are involved in bargaining coalitions, as in the case of public services, the problems are doubly difficult.

There are also problem*s* of monitoring and control – it is difficult to be informed about, let alone control, developments at company and workplace levels. Attempts at co-ordination also have to be handled extremely sensitively. The role of headquarters management in enforcing coercive comparisons is becoming increasingly transparent, potentially exposing it to demands from employee representatives for matters to be resolved in higher-level negotiations.

Managing the extended organisation

A very specific example of multi-level governance involves supply chain management. The logic of outsourcing is fine in theory. Managers need to focus their energies on the core business. If they are running airlines or railways, for example, they should leave matters such as catering

or maintenance to 'specialist' businesses. The 'market' will ensure that these businesses operate as effectively and efficiently as possible. It also means that pay and conditions will reflect those prevailing in the sector rather than those of employees in the 'core' business.

Much as they might like to, however, it is impossible for large organisations to absolve themselves of their responsibilities in the ways that proponents of outsourcing encourage them to think they can. The case of British Airways is a good example. The plaintiff plea from Rod Eddington, its chief executive, that he ran an airline rather a catering business may be true at one level (although passenger transport business might have been more appropriate). It doesn't much matter, however, if problems at your sole catering supplier (Gate Gourmet) deny your customers on-board refreshments for several months as well as costly sympathy action by your baggage handlers.

Other recent notable examples come from the rail industry. Outsourcing maintenance has proved to be a disaster both for Railtrack and London Underground. Again, it doesn't matter what the formal position is. If ASLEF or the RMT won't drive trains on the Northern Line because of fears about safety, your core business suffers.

It's debatable in both cases whether outsourcing made business sense. Be that as it may, the lesson surely is that the main contractor has to be involved in managing the employment relationship throughout the supply chain. The example of Japanese auto manufacturers is instructive here.

Anticipating the next issue (corporate social responsibility), I expect growing pressure on large companies to manage their supply chains much better. This is because, outsourcing, quite rightly, will be seen as contributing significantly to the development of the 'hour glass' economy raised earlier. Large organisation that do not seek to ensure that their supply chains maintain

decent standards are likely to find themselves the increasing focus of 'naming and shaming' campaigns along the lines of those mounted by NGOs against the likes of Nike.

Also interesting here will be reactions to the proposal for sector forums that appear in the Warwick agreement agreed by the Labour Party and the major trade unions in the run-up to the 2005 election. The basic idea is that the government promotes the setting up of forums in each of the main sectors where significant numbers of disadvantaged workers are employed, e.g. agriculture/food processing, care, cleaning, construction, hospitality, retail. The purpose of these forums would be to raise productivity as well as standards in health and safety, pay and conditions, skills and pensions. The underlying logic is that many of the jobs in the sectors listed are relatively unskilled with few prospects of upward mobility. Terms and conditions of employment are also far removed from the HRM model with workers very vulnerable and in need of protection. Additionally, trade unions have always found it difficult to organise employees here and, today, find it doubly difficult to do so – partly because workplace-based recognition provisions mean they have to have members before they can reach collective agreements and partly because extensive outsourcing and subcontracting has removed activities like catering and cleaning from the collective agreement coverage of the larger companies. To paraphrase John Denham, many workers are likely to have to find their way through a tax credit economy based on the SME sector, which is very insecure. Many will be migrant workers as well, adding to the complexity of the issues.

Corporate social responsibility

This brings me to my final issue, which is corporate social responsibility (CSR). The reasons for the increasing interest in CSR are well-documented. The CIPD, which has been

in the forefront of the debate, suggests the pressure to take the issues seriously is coming from a number of sources:

- legislation, e.g. on pollution and environmental issues
- investors, with the spread of CSR performance indices
- other stakeholders, particularly the enhanced power of non-Governmental organisations and lobbying groups
- commercial issues of compliance and risk management
- the need to develop competitive advantage and brand reputation.

By the beginning of 2005, according to the CIPD, these forces had combined to persuade some 200 UK companies to prepare and publish reports on their CSR activities. In the words of the CIPD's report, "Though modest, numerically, they represent many of the largest and most influential companies in the country".

One implication of my remarks at the end of the previous section is that CSR is something of a Pandora's box. It seems pretty inevitable to me that a trade union movement that finds itself unable to make much head way at the negotiating table will be increasingly be tempted to take a leaf out of the NGO campaign book. They will, in other words, increasingly use what influence they have to ensure that larger companies 'police' the behaviour of their subcontractors and suppliers.

It also looks as if the role of public procurement in spreading 'good practice' could be a catalyst for this. Two new European Directives, which come into force in the UK in January 2006, deal with the opportunities to introduce social, employment and environmental initiatives into public sector contracts. They are the Public Sector and Utilities Directives. During the negotiation of the EU directives, trade unions and NGOs at European level campaigned to strengthen the scope for considering social, employment, disability,

ethical and environmental issues throughout the public contracting procedure. All the signs are that the TUC and member unions will seek to make the most of the opportunity.

The size of the public procurement market confirms the potential. According to the Wood Committee, it represents around 16 per cent of the EU economy measured as gross domestic product, or €1,500 billion per annum. In the UK, according to the Equal Opportunities Commission, the Government spends some £13 billion on civil procurement and another £10 billion on defence. In England alone, local authorities spend £42.2 billion on private contractors.

Notes and references

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The full details of Michael Porter's report for the DTI are Porter, M. and C. Ketels. 2003. *UK competitiveness: moving to the next stage*. DTI Economics Papers. London: DTI

These projected demographic trends are taken from the Cabinet Office's *Ethnic Minorities and the labour market. Final Report*, 21 March 2003.

In autumn 2004 UK union membership stood at nearly 7.4 million. Overall, 29 per cent of employees belong to a union. In the private sector, density is less that 20 per cent or 1-in-5. It is the public sector, where around 60 per cent or 3-in-5 is in a union that is keeping the numbers up. See Heidi Grainger and Heather Holt. 2005. *Trade Union membership 2004*. London: DTI. The limited evidence available suggests that the membership of employers' organisations is also declining. See, for example, 'Strength in numbers: new roles for employers' organisations'. *IRS Employment Review*, 18 April 2005, 8-14.

According to David Metcalf's recently published figures, only just over a third of employees (around 8.8 million or 36%) are covered by collective bargaining. Of these, 5.5 million (22%) are union members. For further details, see David Metcalf, 2005. *British Unions: Resurgence or Perdition?* London: Work Foundation.

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Responding to Mike Emmott

Journal of Education and Work, vol. 16, No 4.406-27

David Coats. 2004. *Speaking Up! Voice, Industrial Democracy and Organisational Performance*. London: The Work Foundation

Richard Layard's *Happiness: lessons from a new science* was published by Allen Lane in 2005.

John Seddon's *Freedom from Command and Control: a better way to make the work work* was published by Vanguard Education in 2003.

For the data on the number of managers, see the GMB' report 'One in seven workers in Britain is now a senior manager' at gmb.org.uk/Templates/PressItems. The source of the data is the Office of National Statistics' 2001 Census of Population.

For further discussion about the implications of the data on managers, see Stephen Moss' 'Sack the manager' in *The Guardian*, Wednesday May 11, 2005.

John Denham's influential 2004 pamphlet *Making Work Work* is published by the Fabian Society.

The list of reasons why CSR is becoming important appears in the CIPD's *Making CSR Happen: the contribution of people management*. For further details, go to www.cipd.co.uk/research

Further details of the sources used in the discussion of public procurement will be found in the feature in Acas' *Employment Relation Matters* No 4, Summer 2005 ('Possible implications of the EU procurement directives'). Go to www.acas.org.uk/policy

Recommendations

I feel I have to be true to my exhortation about going beyond just discussing implications. I'm going to stick my neck out therefore and make a number of recommendations about where HR/ER managers should be directing their attention if they seriously want to rise to the challenge of engagement.

A joined up approach

Mike may object to some of my points on the grounds that they don't fit with his definition of employee relations. If so, my answer would be that the fragmentation of the portfolio is part of the problem. The critical point is there should be no division between the 'individual' and the 'collective' dimensions of HRM/employee

relations. Organisations that keep such a distinction shouldn't be surprised if they have problems with engagement.

I've said a fair amount about governance and CSR. Arguably, the most effective way to ensure a joined-up approach, as well as raise the profile of HRM/employee relations, would be to bring things together under a CSR portfolio.

To some extent, it would simply be a matter of history repeating itself. To re-phrase an earlier argument, one of the reasons why collective bargaining assumed such prominence is because it offered a private system of governance that enjoyed much greater legitimacy than the unilateral management regulation associated with personnel management – employer representatives were involved in both making and administering the rules. Arguably, too, HRM has not filled the vacuum left by the decline in collective bargaining. In theory, it could have done, but successful HRM requires levels of investment in human capital that most UK organisations have baulked at. The result is that the state

has had little alternative but to intervene in the form of individual rights legislation. This has brought in its wake a steady slide into legal dependency.

There would also be wider benefits in subsuming HRM within a CSR portfolio. It would not only raise HR/ER's profile within the organisation, but also go some way to resolve the perennial debate about the role of the HR/ER specialist and whether he/she should be an "employee champion". Aligning HRM with CSR would shift the focus altogether. HRM would be critically linked with maintaining and enhancing the organisations' reputation in the wider community from which its 'human resources' come. Workplace 'governance' and 'corporate governance' could also sit side-by-side in practical

recognition that the organisation has multiple stakeholders.

There is also a strong message here for government policy makers. Most people working in the field appreciate why they don't have a single department with overall responsibility – they are frightened that it would go 'native' and/or be captured by the trade union and NGO lobby. In practice, though, I believe that the disadvantages outweigh any advantages. Current arrangements mean that policy is extremely fragmented and very often at cross purposes. Also there is no incentive for officials to develop knowledge and expertise in the area. Perhaps inevitably, the 'third way' becomes a 'pendulum' approach, with the immediate political imperative uppermost rather than the underlying issues.

HR/ER managers and the CIPD need to appreciate that, unless they speak up, they will always be subject to the vagaries of the immediate political situation. Sometimes it will suit them, but sometimes it won't - a Gang Masters' authority one minute, a 'Warwick agreement' the next, and (maybe) a 'Fair Employment Rights Commission' to come. Having a single department or, better still, an independent body along the lines of the Monetary Policy Committee would help to inject the necessary pressure for serious deliberation of the issues.

Stop trying to do the wrong things better

If the objective is to maximise engagement, my view is that HR/ER managers will need to re-direct their attention. I believe that trying to adjust people to command and control structures that are totally alienating is a lost cause. In particular, I would recommend putting into Paul Merton's 'Room 101' much of today's practice of performance management – especially individual performance pay. Everyone

plays the system to a greater or lesser extent and everyone knows it. People are not encouraged to see work as fulfilling or take initiatives and so they don't. As Simon Caulkin of the Observer puts it, "peoples' ingenuity becomes engaged in the wrong things. Taking a systems view exposes the folly of focusing on people and targets, for 95% of performance variation is due to the system, the way the work is designed and managed. Paying attention to the people when it is the system that is at fault only serves to demoralise employees and frustrate managers".

Re-think management

HR/ER managers also need to reflect on what management is about. I believe that it's not just about a group of people who enjoy a particular authority and status vis-à-vis their fellow employees. It's certainly not about preserving the status or position of a group of people with the title. It is a critical resource and a fundamentally important process – it's what makes the difference between organisations and it involves getting things done effectively and efficiently.

The following are a few suggestions designed to begin to shift the balance in the right direction:

1 Take out one and perhaps two tiers of management – most organisations accumulate unnecessary tiers of managers usually for the wrong reasons.

2 Widen the spans of control of the managers that are left so that they are forced to shift from being 'commanders' and controllers' to 'enablers' and 'developers'.

3 Introduce meaningful team work with a significant measure of self-management - most managers claim to have team work, but it is rarely of the 'semi-autonomous'

kind as the evidence from the EPOC and WERS surveys clearly shows.

4 Experiment with different forms of individual self-management.

5 Tackle the abuses associated with the 'agency function' by introducing much greater transparency, e.g. publicised ratios of earnings and benefits.

6 Radically change training programmes – otherwise, management capacity will prove a barrier to change. In Worsely and Moynagh's words, "Turning senior and middle managers into coaches, motivators and enablers will be a huge task".

7 Radically change pay and reward systems to focus on development – there are important lessons to be learnt from Japanese companies here.

8 Introduce a 'zero-based' approach to managerial posts, i.e. start from the assumption that the organisation doesn't need them unless very good cause can be shown for their existence.

Picking up the issue of training, I think there is a strong case for an overhaul of the CIPD's training and development syllabus reflecting the need of HR/ER Managers to see the "bigger picture" and the skills that they will need to do their job. In particular, as well as ending the 'ghettoing' of employee relations, I would like to see much more emphasis on the following:

1 Understanding the world of work - theories, context etc.

2 Organisational design

3 Key areas of policy and practice: recruitment and selection, training and development; pay and reward systems; managing with trade unions

4 Key processes: communication, consultation, collective bargaining and, above all, negotiation.

Responding to Mike Emmott

Encourage new institutions

I have three suggestions here. The first is that large companies introduce in-house mediation schemes to help tackle the issue of 'unorganised conflict'. As well as training managers and employee representatives in conflict management skills, these might take the form of the provision of trained mediators to facilitate the resolution of workplace disputes; the use of independent persons to hear an appeal against a decision taken at the final stage of an organisation's discipline or grievance procedure - the independent person would recommend whether the employer's decision should stand, be revoked or varied;

As well as helping to avoid the slippery slope to even more legalistic approaches, shifting the focus from dispute resolution to conflict management would have major benefits. Compared to the Tribunal route, mediation is informal, less stressful, quick, voluntary, confidential and relatively cheap. Best of all it works and produces better outcomes. It brings an opportunity to change the dynamics of the situation, allowing parties to air their frustration or anger in a 'safe', less confrontational environment. It can give people the chance to 'draw breath' and get back into talks. It can keep communication channels open by using neutral or unemotive language and enable people to get feedback on the strength of their case. It makes it possible to introduce fresh ideas - the process of challenging ideas or probing for the logic of existing positions can itself help to find new solutions. Spelling out the consequences of failing to reach a resolution in an uncompromising way can also be extremely valuable – for instance, the positive impact on customer confidence or job security. More generally, using mediation can produce a virtuous circle of employment relations, encouraging the development of more

effective information and consultation processes and the promotion of the widespread use of joint working.

The second institution I want to recommend is effective consultation machinery. For me, for the reasons, outlined earlier, effective machinery in the large organisation means some kind of council with employee representative elected by employees.

I believe that the introduction of such machinery would bring important benefits. It would bring improvement in management decision making – decisions would have to be made earlier. It would give employees, through their representatives, an opportunity to make an input to major business decisions. Above all, it would help to give greater legitimacy to these decisions and so contribute to promoting engagement.

I appreciate that that serious consultation would require major changes in culture as well as practice. This is especially true if organisations shifted from 'decision-based' to 'option-based' consultation. Such a culture change is precisely the intention of what I'm proposing.

Failing management taking the initiative, I would strongly urge trade unions to take up the cudgels. Under the ICE Regulations, it is open to them to assist employees in reaching such agreements even where they are not currently recognised for the purposes of collective bargaining – and they only have to organise ten per cent of employees to trigger the process. A concerted trade union campaign of this nature would help to make employees/ employers more aware of their rights/ responsibilities. It would encourage employers who might otherwise sit on their hands because they don't expect a challenge to sit up and notice – the prospect of ten per cent of employees mounting a challenge on their own is pretty remote. It would help to

extend coverage of information and consultation arrangements and so build a critical mass necessary to bring about the necessary culture change. It would help to reinvigorate 'voluntarism' and so help to halt the slide towards a legal dependency culture that seems to be increasingly gripping employment relations in the UK.

The third institution I want to advocate takes us outside the organisation. They are the Warwick agreement's sector forums I've discussed earlier. Large organisations will have a critical say, if and when the government takes the initiative it has committed itself to.

As my IRRU colleague Paul Edwards argues on the basis of research among SMEs, many sectors where employment conditions are lowest lack the means to develop good practice within their own contexts. There are examples of local initiatives which have had some success. But these are often poorly resourced. Promoting model local bodies would establish collective employer organisation and act to identify and diffuse good practice.

It is here that sector-level forums have a potentially important role to play in supporting such local initiatives. Good practice guides and codes could be the modern equivalent of national agreements, helping to give a sense of direction and improve the quality and legitimacy of decision-making. Sector-wide holiday, sick pay and pension funds would also help to restore some cohesion as well as dealing with some of the immensely practical issues facing both employers and employees that the present fragmentation gives rise to.

To those who reject such a notion, I would simply say that sector forums are likely to be much more acceptable as well as effective as the alternative institution that waits in the shadows. This is a 'Fair Employment Rights Commission' with

powers to enforce employee rights. Such is the potential for exploitation and/or avoidance of employment rights that the kind of 'Fair Employment Right Commission' that the CAB and others are promoting looks more or less inevitable within the decade unless something else is done. The TUC and CBI are presently opposed. But the position of many employees in these sectors is likely to become more and more embarrassing as the decade progresses. Think of the impact of another Morecombe Bay disaster or a major outbreak of MSRA in a hospital traced to the poor cleaning and poor training of a gang master-supplied workforce.

Support more 'soft' regulation

My final recommendation also has a largely external dimension. It is that British management drops the blanket objection to regulation – it's not only unrealistic but also counter-productive. Instead, it should seek to shift the emphasis on to 'soft' regulation – hence my support for in-house mediation, company councils and sectors forums.

My starting point here is that much of the legislation that British management complains about – in particular, the 'gold-plating' of EU directives – is their own fault. The great majority of recent EU directives, as I've already pointed out, provide for considerable flexibility in implementation. The irony is that it is largely because of the position adopted by the CBI and other employers' organisations that the Government has had to leave it to the DTI Employment Relations Directorate to transpose EU initiatives via legislation. For the DTI, however, transposition is largely a political exercise. The name of the game is damage limitation – coping with the pressure of intense lobbying and getting the legislation in with the minimum of

political fuss. Whether or not the final regulations work or make things better or fit in with the bigger picture are inevitably very much secondary issues. The responsible officials will almost invariably have moved on by the time the impact is known.

The trouble with the 'rights' approach, as I've said earlier, is that it encourages compliance at best. The need is to put the emphasis on raising standards more generally. In my experience, a culture of legal dependency won't help very much here – what is really needed is to encourage the day-to-day consensus building and 'give-and-take' that have been associated with the best of collective bargaining and 'voluntarism'.

Again, there is a message her for national policy makers as well. More imagination is needed in the way that individual rights legislation is implemented. For example, I would recommend doing more to encourage implementation by agreement. No one knows how the ICE Regulations are going to work out. Most sensible people, though, have welcomed the flexibility they give to reach agreements that allow implementation to be tailored to suit local circumstances. This could/should be a precedent for the future, helping to encourage the development of dialogue and the structures to make this possible.

Notes and references

The source of Simon Caulkin's quote is his 'That's the theory, and it matters', *The Observer*, Sunday October 20 2005.

Paul Edwards' arguments are set out in a paper entitled *Workplace Justice: Why a New Public Policy Initiative is Needed*, which the Work Foundation is publishing in 2006. For further details in the meantime, contact paul.edwards@wbs.ac.uk

The Citizens Advice Bureaux' case for a 'Fair Employment Rights Commission' is set out in its 2003 report *Somewhere to turn*.

The ICE Regulations accept an intermediary such as a trade union as an 'employee representative' that can request the relevant data to start the process. An 'employee representative' can also take responsibility for submitting to the CAC the names of employees wanting to open negotiations.

Responding to Mike Emmott

Furthermore, there is nothing to stop such a body supporting employees and their elected 'negotiating' representatives in the discussions over reaching an agreement. In the event of a failure to agree, there is also prospect of the CAC imposing the 'standard provisions' of the ICE Regulations.

Responding to Mike Emmott

Final thoughts - time for a paradigm shift

In his concluding remarks, Mike suggests that, as well as a range of technical considerations, promoting engagement may also mean "asserting more strongly the employee interest and agenda. This may not fit well with a management culture still based on "command and control": it is a genuinely transformational message. But without some significant progress in this direction, both high performance working and strategic business partnering are unlikely to succeed".

This exactly what many of my academic industrial relations colleagues have been saying. One of the authors he quotes, John Budd, makes a strong case for giving work a "human face". The employment relationship, he argues, is not a purely economic transaction with business wanting efficiency and workers wanting income. Efficiency must be balanced with employee' entitlement to fair treatment (equity) and the opportunity to have input into decisions (voice).

Closer to home, in the reference quoted in the previous section, Paul Edwards has argued equally strongly that an improved system of justice is needed to help address the significant weaknesses in the evolving system of UK work relations. The 'balanced' settlement that the government believes it has generated is minimalist – giving rights to individuals is not sufficient to attain substantive justice and rights are of little use if they cannot be exercised. Critically, he addresses the 'market failure' argument head on: 'it may not be in the interests of any one employer to promote justice, but it may be in the interests of the productive efficiency of the economy as a whole'. As already indicated, he advocates a considerable increase in the promotion of good practice advice and

models, involving not only 'top-down' government initiatives but also the 'bottom-up' activities of local networks and sector forums.

There is an important underlying theme here, which takes us back to why industrial relations is so important. Work is not just a means to a livelihood. Work and the quality of working life are fundamentally important in defining our place in society and in providing status, dignity and, perhaps above all, the opportunity for personal development. The workplace is the most important 'learning organisation' most of us experience. But skills and abilities are of little consequence if we are not given a chance to use them. The same is true of our opinions if they are not valued. Alienation and lack of engagement are almost bound to be the result.

There are also strong links with social exclusion and citizenship, as the EU Charter of Fundamental Rights recognises. Arguably, the democratic engagement and sense of involvement in local communities that most political parties wish to promote is also likely to be more successful if the concept of citizenship is carried over into the workplace. Furthermore, it would go some way towards minimising the dissatisfaction and demoralisation that spills over into and negatively impacts on family and community life.

These arguments are intrinsic to the industrial relations tradition and are long-standing – the Webbs in the UK and Commons in the USA voiced them a century ago. Giving them extra weight, however, is the nature of the international competitive challenge facing the UK. The relatively low cost bases that countries like China and India possess mean that there is no future in traditional ways of working. UK businesses have to go up

market into the knowledge economy, which will intensify the need for the engagement of employees. Engagement is not going to come, however, without a paradigm shift in practice and policy.

The emphasis has to shift from treating employees as a commodity brought and sold in 'markets' to human beings with the capacity to grow, develop and contribute. Equally, the workplace cannot be treated like a 'black box' where participants can be assumed to do the 'right' thing. Left to their own devices, most UK managers will find themselves under pressure to take not the 'high road' but the 'low road' – for that's the direction in which the present 'rules of the game' encourage them to go.

The point is that, if the UK economy is suffering from anything, it is a 'failure' of institutions. The decline of collective bargaining has left a vacuum that no amount of 'attitudinal structuring' or emphasis on leadership styles is going to fill. A major programme of institutional reform is needed that starts with work organisation, embraces management and goes on to emphasise the key responsibility companies have for the social development of their employees.

The Scandinavian 'model' offers the most challenging bench mark. As Robert Taylor describes in his recent Compass paper, this involves a mix of individual employment rights, extensive collective bargaining, genuine consultation, serious corporate social responsibility and very active labour market policies. Along with progressive tax policies, these have not only helped to create a social model that is second to none, but also one that has made a significant contribution to economic performance – countries like Sweden, remember are operating with only 25 per cent of the people involved in supervision that the UK has.

The key message is that improving working life *and* organizational performance are not necessarily mutually exclusive as they are often presented. Rather they can be mutually reinforcing. Improved performance makes it possible for managers to bring about a sustained improvement in working lives. Taking improving working life into account makes it possible for managers to get the motivation, commitment and loyalty that they increasingly need for success.

One of the things industrial relations teaches us, though, is that you cannot just lift policies and practices from other countries - it seems wholly implausible, for example, that it would possible to resurrect in the UK Sweden's extensive system of national level multi-employer collective bargaining. Paying higher taxes is also a 'choice' that no British political party seems to want to put before the electorate.

A combination of individual employment rights, extensive sector dialogue and corporate social responsibility, however, is not a bad compromise. Putting the emphasis on 'soft' regulation, i.e. crafting individual rights and corporate social responsibility provisions to promote greater 'voluntary' initiatives, would also help to promote the dialogue that is needed.

I fully appreciate how unrealistic the prospect must seem. If things don't change, however, I think there is very little chance of achieving the laudable objective the government has set for the UK to become a major knowledge economy. The end of 2005 is, after all, the mid-point between the Lisbon summit of 2000, when the objective was set, and 2010, which is the target date for its achievement. Rather the UK is likely to be increasingly characterised by an 'hour glass economy' with lots of low paid, low

skilled and low productivity jobs, but few high paid, high skilled and high productivity ones.

To go back to Mike's *Change Agenda*, it's not so much a question of championing the employee cause. It's much more a case of encouraging the corporate social responsibility that's in all our interests. It is here that organisations like the CIPD have a critical role to play, both corporately in their relations with policy makers and organisationally in the influence their members wield with CEOs.

References

The full references to John Budd and Paul Edwards' contributions will be found on pages 6 and 29 respectively.

Sidney and Beatrice Webb are generally regarded as the pioneers of the study of industrial relations in the UK. Their *Industrial democracy* was published by Longmans in 1902.

John Commons was similarly influential in the USA. His *Labour and administration* and *Industrial government* were published by Macmillan in New York in 1913 and 1919 respectively.

The full title of Robert Taylor's 2005 pamphlet for Compass is *Sweden's new social democratic model. Proof that a better world is possible*.