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An Evaluation of Employee Involvement Initiatives in Canada

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TABLE OF CONTENTS

FOREWORD	2
ABSTRACT	3
INTRODUCTION	4
BACKGROUND	5
Introduction	5
What is Employee Involvement?	5
Impact of Employee Involvement Programs	6
Prevalence of Employee Involvement Programs	9
A Look Ahead	11
EMPLOYEE INVOLVEMENT INITIATIVES IN CANADA	12
Introduction	12
"Successful" Initiatives	12
"Unsuccessful" Initiatives	16
What Can Be Learned?	19
FIRM-LEVEL PLAYERS	24
Introduction	24
Workers	24
Management	25
Local Unions	25
Summary	26
CONCLUSIONS AND RECOMMENDATIONS	27
REFERENCES	29
APPENDIX A	32

FOREWORD

The Industrial Relations Centre is pleased to include this study, An Evaluation of Employee Involvement Initiatives in Canada, in its publication series **School of Industrial Relations Research Essay Series**. The series is intended to give wider circulation to selected student research essays, chosen for both academic merit and their interest to industrial relations practitioners and policy makers.

The research essay is a central requirement of the Master's Program in Industrial Relations (MIR) at Queen's, providing students with an opportunity to undertake independent research. The essay may be an evaluation of a policy oriented issue; a limited empirical project; or a critical analysis of theory, policy, or the related literature in a particular area of industrial relations. The author, Laurie Richer, received her MIR degree in October, 1990.

I would like to express my appreciation to the author for granting permission to publish this excellent study and to Professor Richard Chaykowski of the School of Industrial Relations for his important contribution as faculty supervisor.

P. Kumar, Acting Director
Industrial Relations Centre and
School of Industrial Relations
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ABSTRACT

This paper examines employee involvement initiatives in order to determine what firm-level factors have contributed to the slow development of such programs in Canada. Six cases studies were analyzed and several hypotheses were formulated about the conditions necessary for employee involvement programs to succeed. An examination of the factors which influence the firm-level players revealed that several obstacles exist which may prevent these conditions from being realized. Unless specific action is taken on the part of management and unions, it is not likely that employee involvement initiatives can become integrated into Canadian industrial relations.

INTRODUCTION

Traditionally, workers have had either no say or an indirect say (i.e., through their representatives) in matters which concern their work environment. But social values concerning the workplace are changing with regard to the view that workers have a right to participate in decisions which affect them in their jobs. Workers themselves, as they are becoming more educated and capable of taking on more responsibility, are demanding more input. Moreover, management is realizing that greater employee involvement in the production process could result in the improvements in productivity and quality needed to be able to compete on an international level.

Initiatives which allow for employee involvement in organizational decision-making, however, have developed slowly in Canada. The adoption rate in the United States appears to be much higher. Further, programs are not always successful. The attrition rate has been estimated to be as high as 40% (Rankin, 1986).

The objective of this paper is to examine the progress of employee involvement initiatives in Canada in order that these developments be understood. In particular, two questions regarding firm-level activity were posed: what are the conditions under which employee involvement initiatives can be successful; and why might these conditions not be met? To proceed, six case studies of companies which have experimented with employee involvement were analyzed and several hypotheses were developed inductively about the conditions necessary for the success of a program. It was found that the actions of the firm-level players, especially the local union and management, are critical for success.

Before addressing these concerns, Chapter 2 provides the necessary background on employee involvement programs.

A review of the cases and a discussion of the results are presented in Chapter 3. Chapter 4 looks at the factors influencing the actions of the firm-level players and how these factors may interfere with the attainment of the conditions essential to the success of employee involvement programs. Lastly, Chapter 5 concludes with some recommendations for the firm-level players and government which could aid in the development of employee involvement initiatives in Canada.

BACKGROUND

Introduction

The purpose of this chapter is to provide a review of the literature on employee involvement. It begins with a comprehensive definition of employee involvement and a description of its various forms. This is followed by a review of the research which has focused on examining the effect of participation on employee productivity and satisfaction as well as its impact on employee commitment to his or her union. Finally, the prevalence of employee involvement programs in Canada and the U.S. and among the unionized and nonunionized sectors is discussed.

What is Employee Involvement?

"Employee involvement" or "worker participation" has often been associated with the broad social agenda of industrial democracy. However, for the purposes of this paper, its meaning is narrowly defined as the participation of employees in management decision-making. Since employee involvement can take various forms it is helpful to identify three levels of decision-making within the firm (Kochan, Katz, and McKersie, 1986): (1) strategic decision-making which concerns capital investments, product design, price and marketing policies, and acquisitions; (2) collective bargaining/personnel decision-making which involves the allocation of resources, work

arrangements, hiring, firing, and promotions; and (3) workplace (day-to-day) decision-making which concerns the scheduling of work, safety regulations, quantity and quality of output, work methods, cost control, and training of new employees (see Table 2.1).

Employee involvement at the strategic and collective bargaining/personnel level usually is in the form of indirect participation. That is, employees are involved in decision-making through representatives. This form of employee involvement includes collective bargaining and joint labour-management committees (at the collective bargaining/personnel level), and employee representatives on the company board (at the strategic level).

The focus of this paper is on the form of employee involvement which allows for direct employee input. This definition is further limited to employee participation provided for through a formal and group meeting (hereafter employee involvement refers to this form). This eliminates schemes such as "open-door" policies or employee suggestion boxes. Formal (and direct) programs are variously labelled quality circles, quality of worklife (QWL) programs, or simply, employee involvement programs. The range of issues in which employees typically are involved are restricted to the workplace level.

Employee involvement programs vary in the amount of authority accorded groups and may or may not include supervisors (Eaton and Voos, 1989). Further, employees may receive some form of training in problem-solving techniques. Participation may be either mandatory or voluntary and time spent in meetings is usually paid. Often employee involvement programs are an integral part of other forms of workplace innovations such as autonomous work teams, productivity gain-sharing plans (e.g., Scanlon Plans, Rucker Plans), profit sharing, or employee stock ownership plans.

Table 1, Participation and Organizational Decision-Making

Organizational Level	Nature of Decisions Undertaken	Participative Scheme
Strategic	Capital investments, product design, price and marketing policies, acquisitions.	Indirect: Employee representatives on corporate boards
Collective Bargaining/Personnel	Allocation of resources, work arrangements, hiring, firing, promotions.	Indirect: Collective bargaining, joint labour-management committees.
Workplace (day-to-day)	Scheduling of work, safety regulations, quantity and quality of output, work methods, cost control, training of new employees.	Direct*: Employee involvement programs (also called quality circles or QWL programs).

Source: Adapted from Jain (1980, Table 1, p. 5) and Kochan, Katz, and McKersie (1986).

Note: *This paper centres on this form of participation

Impact of Employee Involvement Programs

According to a survey conducted in 1986 by the American Productivity Center, managers adopt employee involvement programs to improve productivity and quality (84% of the respondents reported this reason as important or very important), to reduce costs (66% responded important or very important) and to improve attitudes/low moral (60% cited as important or very important) (O'Dell, 1987). Theorists have long supported the view that participation results in improved productivity and worker satisfaction.

Proponents of the human resources model believe that workers have more information about their work and are in a better position to make decisions regarding their jobs (e.g., Ritchie and Miles, 1970; Melcher, 1976). Thus, if workers participate in decision-making, it is believed that decisions will be made with more complete information and employees will know more about implementing the work decisions. These theorists also suggest that this meaningful utilization of workers' capacities will lead to higher job satisfaction.

A second school of thought advances the human relations model. This model views greater satisfaction, which is a direct result of participation, as the key to improved productivity (e.g., French, Israel, and As, 1960; Coch and French, 1948). It is proposed that participation leads to positive feelings of self-expression, independence, recognition and worthiness. This in turn is believed to result in greater worker motivation to carry out jobs more efficiently.

However, empirical support for the expected effects of worker participation on productivity and satisfaction is limited. Much of the research is anecdotal or suffers from poor research methods. Cotton et al. (1988) reviewed several studies that examined the effect of employee involvement programs on

satisfaction and performance and found that although most of the studies reported positive effects, the results should be labelled inconclusive due to unsatisfactory research methods.

Studies which are well designed may also encounter difficulties in measuring the effects of participation for several reasons.¹ First, employee involvement is a relatively recent development and it is therefore difficult to obtain longitudinal data. Second, most researchers examine programs only after their instalment. Moreover, available data often come from management or consultants who have an interest in achieving positive results. And finally, it is difficult to demonstrate that changes in performance or worker attitudes is directly related to involvement in decision-making per se.

Given these difficulties it is obvious that interpreting results of studies evaluating employee involvement programs must proceed with caution. With this in mind in what follows, the paper reviews recent evidence on the effects of employee involvement programs.

Two comprehensive reviews examined research on the impact of participation on satisfaction and productivity (Locke and Schweiger, 1979; Miller and Monge, 1986). Locke and Schweiger (1979) looked at laboratory studies, correlational studies, multivariate field studies, and univariate field studies. They concluded that the results from the multivariate field studies could not be interpreted because too many other variables could account for the observed effects. From the remaining studies, it was found that satisfaction increased with participation in 60% of the 43 studies examined but productivity improved in only 20% of the 46 cases. Miller and Monge (1986) conducted a meta-analytic review of the literature on the effects of participation in decision-making. This analysis takes into consideration the strength of effects among variables and corrects for any systematic errors. Miller and Monge (1986) concluded that participation has an effect on both satisfaction and productivity; however, the effect on satisfaction is stronger than its effect on productivity.

Positive results are also reported by several other studies (Rosenberg and Rosenstein, 1980; Katz, Kochan, and Gobeille, 1983; Marks, Marvis, Hackett, and Grady, 1986; Griffin, 1988). In one study 46 participants in an employee involvement program and 46 nonparticipants were surveyed on their quality of worklife perceptions (e.g., participation and commitment) before and after the implementation of the program (Marks et al. 1986). Marks et al. (1986) found that worker perceptions of the quality of worklife decreased for the nonparticipants while the participants' quality of worklife perceptions remained the same. This led the researchers to conclude that involvement in the program buffered the workers against negative contextual factors rather than to enhance their quality of worklife.

Marks et al. (1986) also examined the impact of participation on employee performance. Their results show a positive impact of participation on employee productivity. Although no significant effect was found on the rate of absenteeism, it was reported the rates dropped consistently for the participants and sporadically for nonparticipants.

Rosenberg and Rosenstein (1980) analyzed the records of meetings of workers, supervisors, and managers over a 6 year period in which means of increasing productivity were discussed. It was found that a greater degree of participatory activity was associated with improvements in productivity.

¹ For a review see Gershenfeld (1987)

Katz, Kochan, and Gobeille (1983) studied the relationship among plant-level measures of industrial relations performance, economic performance and QWL programs in 18 plants within a division of General Motors (from 1970 to 1979). Similar to the findings of Rosenberg and Rosenstein (1980), it was found that performance improved in plants with high intensity QWL programs relative to low intensity QWL efforts. High intensity QWL programs were also associated with better product quality. However, lower efficiency and higher labour costs were reported as well. Katz et al. (1983) suggest a selection bias may account for these results. For instance, high intensity QWL efforts may have been implemented in plants that already had lower efficiency.

A longitudinal study of quality circles in an electronics company was undertaken by Griffin (1988). Seventy-three employees from a plant were organized into 8 quality circles and compared to a matched control group from a second plant. It was found that employee attitudes (e.g., job satisfaction, organizational commitment, intentions to quit) and performance increased significantly for the experimental group for a period of 18 months but then returned to its initial levels.

Finally, a study by Delaney, Ichniowski, and Lewin (1988) report no evidence that employee involvement programs enhance business units' return on capital assets. However, Delaney et al. (1988) suggest other measures of firm performance may be more sensitive to the impact of employee involvement.

Research has also focused on the outcome of employee involvement programs for unions. Many union leaders fear that programs are intended to weaken worker loyalties to the union while increasing commitment to the company (Kochan, Katz, and Mower, 1984). However, research has indicated that employee involvement programs can lead to favourable outcomes for the union (Fields and Thacker, 1988; Verma, 1989).

Fields and Thacker (1988) conducted a survey before and after the implementation of a QWL program which was a joint union-management effort. It was found that employee commitment to the company improved following the implementation of the program when the program was considered to be a success. However, when the program was perceived to be a failure, employees tended to blame management. On the other hand, employee loyalty and responsibilities towards the union increased regardless of whether the program was considered successful. Similarly, Verma (1989) found that when the union was involved in the introduction of an employee involvement program the effect on worker satisfaction with the union and participation in union office was positive.

However, another investigation has shown that when the union is not involved in the implementation of the program, less favourable outcomes result (Verma and McKersie, 1987). It was determined that workers less interested in union-related activities were more likely to volunteer for participation in a quality circle. Furthermore, as Fields and Thacker (1988) also found, participation in the program increased workers' identification with the company and its goals. Thus, it seems that noninvolvement by unions may create the results feared by unions.

Overall, the research on the effect of employee involvement programs has produced fairly consistent results. It appears that such programs have a positive impact on both employee productivity and satisfaction although this effect may be limited to the first few years of implementation.

Employee involvement programs also appear to increase employee commitment to the company. Moreover, employee involvement programs seem to increase worker loyalties and responsibilities towards unions when unions are involved. However, noninvolvement by union in employee involvement programs may have adverse effects.

Prevalence of Employee Involvement Programs

It has been suggested that workplace innovations such as employee involvement programs have developed more rapidly in the United States than Canada (Verma and Kochan, 1990). The slower diffusion in Canada has been attributed to the greater degree of union strength; unions are more willing and able to oppose innovations while Canadian managers have fewer options to avoid unions than their American counterparts.²

Empirical evidence has provided some support for the view that there is a lower prevalence rate of employee involvement programs in Canada. A nation-wide survey of Canadian organizations conducted in 1985/86 by the Economic Council of Canada (reported in Long, 1990) found quality circles in 14.2% of the 946 organizations surveyed (union and nonunion). "Other" joint problem-solving groups were reported to exist in 19.4% of the organizations. Quality circles and "other" joint problem-solving groups were found to be common in both the goods-producing sector at 17% and 20% respectively, and the service sector (especially, among health/social services, accomodation/food, and finance/insurance/real estate) at 12% and 19% respectively (see Table 2.2).

However, one problem with this survey is that no definitions were provided for the innovations. It is unknown whether "other" joint problem-solving groups refers to a direct or indirect form of employee involvement. Thus, it is possible that the reported rate of incidence is an overestimation.

In the U.S., a survey conducted by the American Management Association found quality circles or similar programs in 36% of the firms surveyed (reported in Kanter, Summers, and Stein, 1986). A larger-scale survey conducted by the American Productivity Center reported 22% of the firms have implemented quality circles (O'Dell, 1987). Small problem-solving groups were found in 23% of the organizations surveyed. According to this survey, such programs are more popular in the goods-producing sector: 31% of the firms in this sector had quality circles and 29% of the firms had small problem-solving groups. This is significantly greater than the incidence of employee involvement programs in the goods-producing sector in Canada (see Table 2.2). However, the service sector in the U.S. is comparable to Canada (refer to Table 2.2): in the U.S. only 15% of the firms had quality circles and 17% of the firms had small problem-solving groups. The slower rate of adoption in the goods-producing sector in Canada may be related to the high rate of unionization (for non-office employees) in this sector (see Coates, Arrowsmith, and Courchene, Table 20, 1989).³

² See Verma and Thompson (1989) for a review.

³ For example, in Canada, in the goods-producing sector 84%, 70%, and 75% of non-office are covered by collective agreements in the logging, mining, and manufacturing industries, respectively. In Contrast, 14% and 56% of non-office employees are covered by collective agreements in the finance/insurance and service (including health/social and food/accommodation) industries, respectively.

Table 2, Rate of Incidence of Employee Involvement Programs by Industrial Sector

Industry	Quality Circles	“Other” Problem-Solving Groups
All Firms (n=946)	14.2%	19.4%
Goods-Producing Sector	(16.8*)	(20.0)
Agriculture/Resources (n=38)	8.3	33.3
Manufacturing (n=426)	17.5	18.8
Service Sector	(11.6)	(19.1)
Transportation (n=40)	2.8	16.7
Communications/Utilities (n=24)	4.8	19.0
Wholesale Trade (n=45)	11.9	22.0
Retail Trade (n=82)	10.3	15.6
Finance/Insurance/Real Estate (n=48)	26.1	10.9
Business Services (n=71)	11.6	18.8
Health/Social Services (n=62)	12.7	40.4
Accommodation/Food (n=56)	18.4	18.0
Other Services (n=48)		7.1

Source: Long (1990, Table 1, p. 487).

Note: *The numbers in parentheses were calculated from the data provided in Long (1990, Table 1, p 487).

The observation that prevalence differences exist between Canada and the U.S. in the union versus the nonunion sectors also has some limited support. There are no available data for Canada on the rate of incidence of employee involvement programs by union status. However, according to Labour Canada's national file of collective agreements covering 500 or more employees only 1.7% of the organizations reported a provision providing for a joint QWL committee (Verma and Kochan, 1990), which is considerably less than the figures provided by the Economic Council of Canada (see Table 2.2). Further, as indicated above, employee involvement programs in Canada have not developed as rapidly in the goods-producing sector, a highly unionized sector, compared to the U.S. Yet data for the U.S. by union status indicates that employee involvement programs are at least as common in the union sector than the nonunion sector (Ichniowski, Delaney, and Lewin, 1989; U.S. GAO, 1987 reported in Eaton and Voos, 1989).

Thus, there seems to be some evidence that the prevalence of employee involvement programs is lower in Canada than in the U.S. In particular, the rate of incidence is lower in the goods-producing sector in Canada than in the U.S. Moreover, there is some suggestive evidence that employee involvement programs are less prevalent in the Canadian union sector compared to the U.S. This may suggest that union strength is an important consideration in determining the rate of incidence in Canada.

A Look Ahead

Employee involvement programs appear to be a means for improving employee productivity and satisfaction as well as improving worker commitment to both the company and the union. However, in Canada employee involvement programs seem to have experienced a slower rate of adoption compared to the U.S. One possible explanation is the greater strength of unionization in Canada. The role of the union and other firm-level players who may affect the diffusion of employee involvement programs in Canada are considered in Chapter 4. First, however, the next chapter examines specific case studies of employee involvement programs and proposes hypotheses about what contributes to their success.

EMPLOYEE INVOLVEMENT INITIATIVES IN CANADA

Introduction

The purpose of this chapter is to inductively develop several hypotheses about the conditions under which employee involvement programs are likely to be successful. The hypotheses were formulated on the basis of six case studies of companies which have initiated employee involvement programs. The cases were divided into two categories: "successful" or "unsuccessful." A "successful" case of an employee involvement program refers to a program which has led to positive outcomes for both management (e.g., in terms of improved productivity) and workers (e.g., in terms of job satisfaction and improving the quality of worklife). A case which has not met this criterion was considered to be "unsuccessful". Having divided the cases accordingly, the commonalities among successful cases were compared to those of the unsuccessful cases. Thus, the conditions which existed for successful cases and were absent from unsuccessful cases are proposed to be critical for the success of employee involvement programs.

These six cases are reviewed below in order to illustrate the dynamics associated with the implementation and maintenance of employee involvement programs. The final section of this chapter presents the hypotheses developed from these cases and discusses the extent to which they are useful. This section concludes with a discussion of how well these hypotheses fit into the context of propositions made by other researchers about the conditions under which employee involvement programs are likely to succeed.

"Successful" Initiatives⁴

Shell Canada (Case: Halpern, 1984)

Shell Canada was one of the earliest organizations to undertake an employee involvement effort. In 1974, Shell decided to follow a "socio-technical" approach in their plants which integrates the technical and "human" side of the organization. The Sarnia plant was chosen as the pilot project since Shell already had plans for its expansion. A task force was put together to assess where the "socio-technical" approach should be used.

The task force discovered the present situation was in great need of change. They felt there was inadequate information flow, an under-utilization of employees, excessive management control, a need for quicker reaction to problems, poor labour-management relations, and considerable dissatisfaction and lack of commitment among employees. A new work design was developed with the following policies and practices in mind: to express the belief that workers are responsible, trustworthy, capable of self-regulation, and interested in the opportunity for decision-making and growth; reduce shift work and modify the pay system; eliminate artificial jurisdictional boundaries; improve communication systems; and alter problem-solving practices.

The task force then sought to gain approval from both senior management and the union (Oil, Chemical, Atomic Workers Union). Both parties agreed; however the union only did so under the condition that they

⁴ In the following cases, members of an employee involvement program are often divided into groups referred to as "teams". However, some functions of the "teams" may not be related to QWL. This is especially evident in the Shell case.

participate as "full partners and maintain a high profile." Next, a joint union-management committee was established in order to implement the project.

The result was a single operating department which consisted of six multi-skilled teams and one craft team. The multi-skill teams work shift work around the clock with only one team (20 persons) operating the plant at any given time. Each member of the multi-skill team is capable of running 60% of the plant and has acquired a specialty skill. The craft team works days, Monday to Friday, accompanied by a few members of a shift team who work in their specialty areas. The schedule maximizes the number of weekends off and the number of days off at the end of a cycle. Workers are remunerated on the basis of knowledge and skill rather than the task being performed.

The program also includes an employee involvement scheme. The teams meet regularly to review and evaluate how everything is progressing as well as solve problems and plan for the future. A Team Norm Review Board was established to solve problems not resolved at the team level. The Board also monitors the teams for consistency, encourages their development, and deals with their recommendations and requests.

The project has led to many favourable outcomes: the workers have developed a high level of competency; the quality control has improved and workers contribute significantly to equipment maintenance and repair; the level of support and commitment is high; problem-solving proceeds in an efficient manner; and labour-management relations have improved.

Among the lessons learned from the experience at Sarnia, Halpern (1984) lists the importance of involving as many persons as possible of those who will work in the new environment, the importance of acquiring an early commitment from senior management and the union, and the importance of providing continuous training for everyone involved in the areas of leadership style, problem-solving, decision-making, and conflict resolution.

Ford Motor (Case: Crocker, Chiu, and Charney, 1984)

Another example of an employee involvement program can be found at the Essex Ford Motor plant in Windsor. The first attempt at initiating employee involvement efforts, in 1981, was abandoned. The union (United Auto Workers) refused to provide support for the venture since it believed the program was a tactic of the company to take advantage of the employees. However, in 1982, at a time when the level of worker lay offs was high and competition was heightened, the program was initiated again with the union's support. The program became a joint management-union effort.

The program was implemented in two phases. The first phase focused on promoting the concept to managers and union representatives and securing their commitment. The managers and union representatives were trained in the philosophy, the application, and the process of employee involvement. The next step in phase one involved the establishment of a Steering Committee consisting of union and company representatives. The Committee was initially responsible for diagnosing the organization in order to formulate and recommend a strategy for the process.

Phase two involved introducing the employee involvement concept to the employees. A pilot area was selected after the costs and benefits and the extent of supervisor and union support were analyzed.

Volunteers were chosen from this area to participate. Training consisted of an orientation on the plant organization and on employee involvement. Also, the volunteers were trained in leadership skills, motivational theories, personality styles, the decision-making process, and communication skills. After some evaluation and fine tuning of the program, it was extended to other locations in the plant.

In general, the teams are organized by work units according to tasks being performed. They communicate with the Steering Committee and report their progress and problems regularly. The Committee is also responsible for providing direction for difficult projects as well as publicizing the team's accomplishments. Assistance for the teams is also provided by coordinators who act as resource persons and ensure that the teams function smoothly.

As of 1984 the Essex plant had seven teams in which 55 employees participate. Among the accomplishments of the teams are improvements in the efficiency of testing areas, the reduction of rejects, and quality and cost improvements. Moreover, grievances have dropped about 25% despite the fact that 1,100 more employees have been hired. A survey on the employee involvement program, conducted in 1983, found that most members (83.3%) have positive feelings regarding the program. Moreover, participants in the program were more likely to perceive their company as a good place to work than non-participants. Overall, the program appears to be successful.

Inmont Canada (Case: Portis, Fullerton, and Ingram, 1986)

Another successful example can be found at the Graphics division of Inmont Canada, a chemical manufacturing firm. The Graphics division produces all types of inks, coatings, and resins for use in the printing industry.

Like the example from the Essex plant, the initial attempt at an employee involvement program was a failure. In 1982, the corporate office made a commitment on behalf of all its companies to initiate a quality circle program. The General Manager at Inmont was strongly committed to the concept and introduced the idea to the rest of the organization. A consulting firm was retained to help implement the program. Presentations were made to upper management, middle management, and some first line supervisors to familiarize them with the process and address any concerns.

With the help of the consultant, a steering committee was established and two part-time facilitators were selected. Support from the union representatives was obtained and a meeting was held to orient the employees about the quality circle process. Five circles were formed and each circle was required to make presentations to management.

Following the first management presentation, interest in the program began to decline. By 1984 all but one of the circles had disbanded and the Steering Committee had stopped meeting.

In order to revive the program, the General Manager hired a program facilitator. The Facilitator conducted a series of interviews with employees and management to see why the program failed and what could be done to revive it. He found that management had launched the program then gave no further support. Furthermore, the employees did not receive any training or information beyond what was initially supplied. Moreover, the part-time facilitators could not devote sufficient time to the program.

The first step in reviving the program was to generate support among the managers. The Facilitator found it difficult to resell the concept to the managers but mandatory orientation meetings and the support from the General Manager helped. A new steering committee was formed which included both plant managers and union representatives. The Committee later involved team members or leaders.

The Committee provided guidance for the revitalization process and established some general policies for the operation of the quality circles. Among the policies is the requirement of management to respond to circle suggestions and questions within five working days.

Training was provided for every supervisor or manager who could potentially become a circle leader. Leaders were then responsible for working through the instructional material with their teams. Topics included introduction to quality circles, productive meetings, brainstorming, and developing an action plan. Members also received training on leadership, participative management, and consensus development. The union declined the opportunity to participate in the training since they felt management was acting in good faith.

Six teams were chosen on the basis of their chances of succeeding. Eventually, more teams were added. By the summer of 1985 there were 10 teams in which 65 employees participate.

Many work-related problems have been resolved by the quality circles. Further, trust has developed between management and employees. There also appears to be improvements in employee attitudes and communications within and between departments. An employee survey conducted in the summer of 1985 indicated that the program was viewed as being very positive.

Hostess Food Products (Case: Portis et al., 1986)

Examples of successful employee involvement programs can also be found in nonunion settings. Hostess Food Products, a nonunion organization, introduced a quality circles program prior to the introduction of extensive automation which would result in the elimination of many line employees. The plant manager believed the program would improve employee attitudes and eliminate fears regarding automation. He also hoped the program could provide input into the design of the new process. A Steering Committee was set up to design and monitor the program and oversee the automation.

A consulting firm was retained to conduct an attitude survey prior to the implementation of the program. The survey indicated there were weaknesses in employee communication, recognition, and involvement. Three work areas with the best attitudes were chosen for the pilot circles in order to ensure initial success. Training was provided by the consulting firm for all supervisors and the facilitator. The training covered quality circle concepts, teaching methods, negotiating skills, and steps involved in preparing quality circles for management presentations. Other than the training, the consulting firm had little to do with the implementation of the program.

The plant manager then met with the employees to discuss the program. A second meeting with the employees from the three areas was held to present a more detailed introduction to the program and to recruit volunteers. The volunteers were led through a ten-week course of problem-solving by the Facilitator. The Facilitator was also in charge of monitoring the circles for leadership problems and seeing the successful continuation of the program.

The program experienced a rapid growth in the first year due to requests from hourly employees. By the end of the year there were 15 groups in operation. At the time of the study, 1985, there were 16 circles operating.

The progress of the program was initially monitored through the attitude surveys. However, the plant manager felt the survey was an ineffective tool for evaluating the program. Instead, employee interviews were used to monitor the progress and get suggestions for future modifications. There was mainly positive feedback. For instance, one employee felt the program helped make a smoother transition to automation, improved management-worker relations, opened information channels, and improved productivity. However, some previous members of a quality circle were disappointed with the program because of the length of time to implement ideas. Nonetheless, the program is considered to be a success overall.

"Unsuccessful" Initiatives

General Motors (Case: Rinehart, 1984)

An "unsuccessful" example of an employee involvement program can be found at the General Motors Diesel plant in London. Since 1973 the United Auto Workers have agreed to support QWL programs at General Motors. The products at the Diesel plant are large trucks and locomotives which are constructed one at a time. The less routinized and less frantic pace of work than auto assembly plants seemed an ideal site for a QWL program.

The idea for the project at the Diesel plant originated with the top management, in the spring of 1981, who met with the international union representatives and several local union representatives. Management emphasized the current economic difficulties and the need for better quality at lower cost. One line was apparently losing money and some of the workforce had been laid off. With further layoffs pending, the local union supported the venture. A union-management committee was formed which was responsible for the program. However the day-to-day administration of the program was undertaken by a management coordinator.

The members received training to be able to recognize, analyze, and solve production problems. However, as Rinehart (1984) points out, the workers did not receive lessons on dealing with workers problems such as health and safety or cumbersome work techniques. Moreover, discussion of contractual items was prohibited leaving mainly issues which could lead only to economic gains for the company.

As of 1984 the program consisted of 25 participation groups with close to 200 members. The groups meet one hour per week on company time. Proposals made by the group which involve the collection and presentation of data or require large cash outlays are screened by the joint steering committee. However, the final decisions lies with management. A great majority of the suggestions do not require formal presentation and are processed though the normal chain of command. Several suggestion did lead to cost-reductions for the company.

However, interviews with the employees revealed a general dissatisfaction with the program. Workers reported they joined a participation group because they believed greater productivity and quality would mean more job security.

However, during the course of the program, the workforce was reduced from 1,500 to 700. Workers also viewed the opportunity to achieve better working conditions as a reason for joining the groups. Yet, suggestions which cost the company money (usually worker-related problems) are not readily processed. The high rate of rejection and the slow processing caused many employees to drop out of the program.

Members seemed suspicious of management and their motives. Members also believed that the engineers, middle, and first-line managers felt threatened by the program because suggestions may expose their inadequacies and infringe on their authority. There also appeared to be tension between the participants and nonparticipants in the program. The nonparticipants saw the participants as "company men" whose only ambitions were to land a salaried job.

Initially the local union representatives believed in the program. But the representatives knew little about its operation or its consequences since they chose not to keep in touch with its progress. Moreover, few matters came to the attention of the joint committee. However, by the end of 1983 the local union representatives withdrew their membership in the joint Steering Committee. This reason was apparently because of a lack of cooperative attitude on the part of management.

Overall, although there were positive outcomes for the company, the program does not appear to be successful: jobs were not safeguarded; proposals not related to cost-reductions were not readily accepted by management; there was tension between the participants in the program and the nonparticipants; and some engineers, middle managers, and supervisors felt threatened by the program.

"Universal Electric"⁵ (Case: Wells, 1987)

The final example involves a large electronics plant owned by "Universal Electric." The plant had been experiencing hardships for several years. Between 1981 and 1983 half of the jobs were lost as entire product lines were reduced or eliminated. Labour relations were poor and work stoppages were a major part of the plant's history. At a point when the conflict between labour and management seemed intolerable, management decided to initiate a QWL program and a consultant was hired to do the job.

The program relied on "cooperative decision-making" which is an integrated set of problem-solving techniques. These methods were taught to a small number of volunteers who were organized into decision-making teams. The teams were taught how to choose a production related problem and solve it according to a specified set of steps. The teams were assisted by "resource people" from sales, engineering, finance, and other departments who were ordered to join the teams by their supervisors.

The program began in an isolated department which enjoyed good worker-supervisor relations. The employees were told by management that the economic situation at the plant meant bringing in new management or giving cooperation a try. The employees opted to cooperate. The union, however, was not

⁵ The author used the name "Universal Electric" to conceal the identity of the plant.

willing. Its national leadership officially opposed QWL as a management tactic to co-opt workers for their own purposes.

Workers began a 5 week training session to learn cooperative decision-making techniques. At the end of the session, the workers were assigned to four decision-making teams, each composed of workers who did similar jobs. Three volunteers participated as team coordinators and were given additional training on cooperative decision-making techniques. However, some of the teams criticized the coordinators because they received extra pay.

The teams identified a number of production problems but found that the problems were too complex to solve and the techniques too difficult to use. Moreover, problems which could be solved did not seem to require "cooperative decision-making." Workers began to leave the program.

After an unsuccessful attempt at a retraining session, management decided to make two changes to the program. First, less emphasis was given to the cooperative decision-making techniques. Instead workers were taught to use "job analysis." This approach gave the workers a greater sense of how jobs were accomplished throughout the department. The second change was to reorganize the teams with workers who did a variety of different jobs. Management also established a review committee made up of senior management which gave final approval of the decisions made by the teams.

Around this time management began experiencing a production boost which was attributed to the changes made to the program. An attitudinal study also indicated that the workers still involved in the program were reasonably satisfied. However, Wells (1987) suggested this was due to the fact that workers were given the opportunity to know fellow workers rather than from changes in their jobs. Moreover, the survey indicated that the workers did not experience a sense of accomplishment.

During the second year of the program the turnover in the department was high due to ongoing layoffs. Members in the decision-making teams were replaced by more senior workers from other parts of the plant. However, these workers were not trained in decision-making techniques and were less willing to cooperate.

Nonetheless, teams continued to meet and solutions to production problems slowly took shape. But members were frustrated by the long delays in implementing even the easiest of proposals. Often management would veto a suggestion, a supervisor would impede it, or there was a lack of resources to implement it.

Management also took other measures besides the employee involvement program to try and improve labour relations and lessen anxieties about layoffs. Managers were "getting down" on the plant floor and giving recognition for long years of service. When senior managers realized that lower and middle management were feeling threatened by the suggestions made by the decision-making teams they started asking these managers to explain their problems and to give suggestions for resolving them. As well, supervisors were given training courses on motivating workers, "constructive discipline," and learning to listen.

However, management claimed that the decision-making program was the sole reason for the significant productivity improvements in the department during the second year of its existence. Wells (1987) warns

that the new attention and involvement of management may have had an impact. While management claims that the department saved \$2.6 million that year, the savings resulting from team suggestions never amounted to more than \$2,000 each.

The program was extended to two other departments. Neither was successful. At one department nearly half dropped out of the program because the workers found the training boring or confusing or did not believe that the program would lead to changes in the quality of work life. The two teams that did remain in this department made improvements in fire safety, the layout of the worksite and housekeeping. However, layoffs continued and one team had to disband. There were increasing fears of job losses and management began losing faith in the program. Eventually the plant was shut down. All in all, the program could not be considered a success.

What Can Be Learned?

Table 3.1 summarizes the outcome for management and workers of each employee involvement initiative discussed above. As shown, the programs at General Motors and "Universal Electric," the unsuccessful cases, lead to favourable outcomes for managers but not for workers. Using an inductive research methodology based on the cases described above, the following conditions are assessed as being critical for a program to result in positive outcomes for both workers and managers (see Table 3.2): (A) the union is involved in the process, (B) there is commitment and involvement on the part of managers and supervisors who are affected by the program, (C) the participants in the program receive extensive training beyond learning problem-solving techniques, and (D) the level of decision-making power accorded to the participants is greater than the traditional amount of decision-making power.

As indicated in Table 3.2, it appears that union involvement is an important factor. The three successful cases of employee involvement programs in unionized settings introduced the project as a joint union-management effort. In the unsuccessful cases the union was either not involved (the "Universal Electric" case) or involved to a very limited extent (the General Motors case). In these unsuccessful cases the workers' interest did not appear to be taken into consideration. The workers were taught to identify and solve only production problems. In the General Motors case especially, management did not implement worker-related problems as readily as production problems. Thus, it is possible that union involvement buffers management's preoccupation with production to include the well-being of workers in the goals of the program.

A second apparent condition is the commitment and involvement on the part of managers and supervisors who are affected by the program. Gaining approval and informing managers and supervisors about the program was integral to all of the successful cases. For example, at Inmont the Facilitator hired to revive the program discovered that one of the factors prominent in the initial failure was a lack of management support. He then sought to gain commitment from managers and provided training to all supervisors and managers who would be involved with the program.

Table 3, Case Outcome for Management and Workers

Case	Positive Outcomes for Management	Positive Outcomes for Workers
Successful		
Shell Canada	Yes	Yes
Ford Motor	Yes	Yes
Inmont Canada	Uncertain	Yes
Hostess Food Products	Yes	Yes
Unsuccessful		
General Motors	Yes	No
“Universal Electric”	yes	No

Table 4, Summary of Hypotheses Results By Case

Case	a) Union Involvement	b) Commitment of Managers and Supervisors	c) Training for participants	d) Level of Decision-Making
Shell	Project joint effort.	Training for all involved.	Leadership style, problem-solving, decision-making, conflict resolution	Little guidance from management, team norm review board solves some problems
Ford	Project joint effort	Managers trained in philosophy and application of employee involvement	Plant and employee involvement orientation, leadership skills, motivational theories, communication skills, decision-making	Little guidance from management, direction for hard projects by steering committee
Inmont	Steering committee included union representatives	Orientation meetings for managers and training for supervisors	Quality circle orientation, brainstorming, leadership, consensus development, participative management	Suggestions made to management but must respond within 5 working days
Hostess	Not applicable	Training for all supervisors	Problem solving	Suggestions made to management
GM	Steering committee included union representatives but everyday administration by management	No training or involvement	Production problem-solving	Complicated proposals screened by steering committee but management makes final decision, other suggestions go through normal chain
“Universal”	Union did not support	No training or involvement but later supervisors were asked about their own problems	Cooperative decision-making	Suggestions made to management

In contrast, at General Motors the middle and lower managers were not trained about the program or involved in any way. The workers reported that the supervisors and managers felt threatened by the program. Similarly, upper management in the "Universal Electric" case realized that their middle and lower management felt threatened and took measures to involve them to a greater extent. Thus, it appears that when supervisors or managers are not committed or informed about the program they may feel threatened. Since supervisors and managers are in a position of some power, it is likely they could affect the progress of the program.

The type and extent of training of the participants in the program also seems to be important for success. Participants in the successful programs, with the exception of the Hostess case, received training in such areas as leadership skills, the decision-making process, and problem-solving. Participants in the unsuccessful programs also received training but it was limited to instruction in solving only production problems. In particular, the employees at the "Universal Electric" plant found that the techniques they were taught to use identified production problems which were too complex to solve. Moreover, they found that problems which could be solved did not require training. Thus, it is evident that the techniques taught to the participants should be implementable. It is also likely that training provided in areas other than problem-solving, such as leadership and communication skills, facilitate the decision-making process.

A final factor which may influence the success of the program is the amount of decision-making power accorded to the participants. For example, among the successful cases the employees at the Shell plant and the Ford plant enjoyed some degree of autonomy in solving problems. Most suggestions could be implemented with little guidance from management. At both General Motors and "Universal Electric" the final decision for all suggestions rested with management; there was no change in the hierarchy of decision-making. The employees found the process frustrating because many of their ideas were rejected or implemented at a very slow rate. Final approval also rested with management at Inmont and Hostess. However, at Inmont, the program included a policy requirement that management respond to suggestions within five working days. Therefore, unless management is committed to dealing with the suggestions made by workers or workers have some degree of decision-making power, they may feel frustrated with the process.

Overall, the successful cases share certain commonalities which the unsuccessful cases lack including union involvement, commitment and involvement on the part of affected supervisors and managers, training for participants beyond learning problem-solving techniques, and the allocation of some degree of decision-making power to the participants. The exception was the Hostess case. The participants in this program only received training in problem-solving. Thus, it appears that additional training was not necessary to guarantee the success of the program. Secondly, the participants did not enjoy any greater decision-making power than the traditional amount. However, some participants did express a disappointment with the program because of the length of time to implement suggestions. Nonetheless, the program did result in some positive outcomes for employees. It should be noted that the employee involvement program at Hostess was implemented in a nonunion environment. It is possible that the conditions under which programs succeed in nonunion settings differ from union settings. Therefore, these findings may not be applicable in a nonunion environment.

Other factors which may limit the usefulness of these hypotheses should also be considered. First, a sample size of six is very small. It is possible that the commonalities present in the successful cases were unique to these examples. Further, the employee involvement programs existed in different institutional contexts. However, the fact that all six cases were drawn from medium-sized and large manufacturing plants improves the applicability of the findings to similar environments.

Second, the two unsuccessful cases were experiencing massive layoffs during the course of the program. It is quite possible that this contributed to their failure. However, the effects of the program were seen before the layoffs occurred and although it is possible that the program may have improved without the problem of layoffs, it is not likely.

A final factor to consider is the lack of empirical design for the case studies. The studies did not include any quantitative measures or control variables. These studies are not intended to provide causal inferences or conclusions. At best, they furnish important information with which hypotheses can be proposed. Future research needs to be conducted to test the hypotheses formulated above. However, the fact that other researchers have developed similar propositions improves the validity of this chapter's findings.

For instance, Portis et al. (1986) conducted surveys of 20 organizations with employee involvement programs operating for at least a year. As was found here, the support of the local union and management support and involvement were determined to be critical to the success of these programs. The Conference Board (U.S.) conducted research on U.S. companies that are effecting organizational change through employee participation programs (Gorlin and Schein, 1984). The factors determined to contribute to a lack of positive results for the less successful programs are also similar to the findings here: (1) the affected units (i.e., the less successful programs) were those in which there were severe management problems and poor profitability prior to the new plan; (2) union participation was either not invited early enough or was not invited at all; (3) real commitment from management (plant and/or corporate) was not communicated and proved; (4) training for managers, advisers, facilitators, and participants was insufficient; (5) line managers and supervisors did not fully accept their new roles in the participation environment; and (6) people were not convinced that gains in productivity would not lead to layoffs.

Finally, Cutcher-Gershenfeld, Kochan, and Verma (1990) examined the conditions under which employee involvement can become institutionalized into the organization. According to Cutcher-Gershenfeld et al. (1990), there exists two types of participation structures: narrowly-focused forms which are not accompanied by any other changes in the organizational structure or procedures, and broad forms which are accompanied by changes in the organizational structure or procedures. Field research by Cutcher-Gershenfeld et al. (1990) including case study data on involvement programs has indicated that narrowly-focused forms of employee involvement cannot survive because they cannot meet the goals of the parties. In order to meet the goals of everyone involved, the program must become broadened in scope.

Of relevance to this paper is the finding that joint union-management sponsored programs were more likely to become broadened in scope and eventually become integrated into the organization (Cutcher-Gershenfeld et al., 1990). Moreover, the finding that broad forms of employee involvement programs are accompanied by changes in the organization is also important. This notion fits in with the hypothesis developed above that the level of decision-making power accorded the participants should be greater than

the traditional amount. This in effect changes the hierarchical structure of the organization in terms of decision-making power. This was especially evident with two of the successful cases, Shell and Ford.

Thus, it appears that the hypotheses presented in this paper can be supported by the findings of Portis et al. (1986), Gorlin and Schein (1984), and Cutcher-Gershenfeld et al.

(1990). The implications of these hypotheses for the firm-level players as well as other environmental considerations which could affect the development of employee involvement programs in Canada are discussed in the following chapter.

FIRM-LEVEL PLAYERS

Introduction

This chapter considers why each of the firm-level players would want to participate in employee involvement initiatives. Secondly, the factors influencing the actions of the firm-level players and how these factors may affect the achievement of the conditions essential to the success of employee involvement programs are also examined.

Workers

For workers, participation in employee involvement programs can mean a way to increase their control over their work environment. Moreover, as seen above, participation can lead to greater job satisfaction. However, do workers want to participate? A survey conducted in British Columbia in 1985 indicates the answer is yes (Richards, Mauser, and Holmes, 1988).

The Richards et al. (1988) survey involved telephone interviews to a representative sample of adults in the Vancouver region.⁶ It was found that workers want more influence over personal decision-making (e.g., decisions which involve hours of work, job duties, scheduling) than over administrative decision-making (e.g., hiring, firing, selection of supervisors). Similarly, workers want more influence over administrative decision-making than over major policy decision-making (e.g., financial investments and planning, introduction of new technology). Thus, it seems that workers are more concerned with decisions that directly affect their working conditions than with higher levels of decision-making.

The study also found that workers believe they have less influence over all three levels of decision-making than they would desire. Moreover, this desire for influence was determined to be independent of workers' attitudes towards unions and collective bargaining. However, union members reported a greater difference between the amount of actual influence and the amount of desired influence than nonunion members, especially over personal decisions. Since there is only a slight difference between union and nonunion members in their desired level of influence, Richards et al. (1988) concluded that union members experience a higher level of "frustration."

⁶ The authors warn that the survey was designed to be representative of the attitudes in this region and may not be generalizable to all of Canada.

A study by Cook Johnson and Grey (1988) which analyzed trends in employee attitudes between 1977 and 1987 also suggests that workers are dissatisfied with their work environment. It was found that employees feel less informed about what is going on in their organizations than in the past. The information wanted by employees was cited to be the "reasons behind business decisions," "reliable information on where the company is headed," "how my job fits into the total" and "how I can best improve my job performance,"

Moreover, employees reported a decline in the credibility of the information they do receive from the company. A lack of communication is also evident in an example provided by Cook Johnson and Grey (1988): in 1987, 76% of employees reported that their companies demand high levels of performance, yet less than 50% claimed that they received the support they needed to perform their duties.

Thus, it appears that workers are dissatisfied with their workplace and want greater control over decisions which affect them. Moreover, this need appears to be felt greater by union members than nonunion members.

Management

It has been shown that adopting employee involvement schemes can improve productivity and quality control. Presently, production and quality is of key importance to management. Fierce international competition and the rapid expansion of technology has forced Canadian firms to look for new ways to cut costs and increase productivity, to assume new forms of work organization and find more efficient ways of doing things (Kumar and Coates, 1989). Moreover, the economy is currently experiencing a slowdown. There was an expected 2.9% growth in the gross domestic product in 1989 and it is expected to be only 1.7% in 1990 (Kumar and Coates, 1989). Further, the economy is expected to remain slow in 1991 when the Goods and Services Tax is implemented (Wright, 1990).

However, introducing employee involvement initiatives has several implications for management. Managers must invest a significant amount of time and funds, cooperate with the employees and/or the union, and alter decision-making roles within their organization so that such initiatives can be successful.

It is obvious why management might not meet these requirements. First, management may not be well enough educated about employee involvement to know what is required. Second, considering the hard economic times businesses are experiencing, management may not be willing to dispense with the necessary resources. Third, managers have little opportunity, especially in the goods-producing sector, to avoid unions. Given the conflicting interests and traditional mistrust between unions and management, managers may be reluctant to trust union representatives and provide access to critical information necessary to allow the program to be a shared responsibility. Lastly, managers have traditionally enjoyed the role of decision-maker and may be reluctant to relinquish some degree of decision-making control to workers.

Local Unions

Local unions are being forced to deal with the new initiatives being adopted by management such as employee involvement programs. As seen, supporting employee involvement programs and becoming

involved in their implementation can enhance worker loyalties to the union and improve the quality of worklife. Moreover, increases in productivity and quality could ultimately strengthen the economy and lead to a growth in employment.

Not cooperating with management, however, may cause much conflict. Verma and Kochan (1990) suggest that refusal by local unions to support employee involvement initiatives could lead to an increase in union avoidance efforts in Canada.

But local unions are influenced by their national leaders, especially if they are unknowledgeable about these programs, and most national leaders oppose employee involvement initiatives (Mansell, 1987). For example, two provincial federations of labour (Ontario and British Columbia) and at least one large national union (CAW) officially oppose employee involvement (Verma and Kochan, 1990). Kumar and Ryan (1988, p. 6), in their report of union perspectives on the major issues and challenges facing the labour movement, summarize the view of union leaders as follows:

They have taken the position that such participation programs are rarely genuine attempts to enhance quality of worklife and tend to undermine the representative role of the union at the workplace. Union leaders are convinced that management attempts towards employee involvement ... are nothing but a "misguided desire for a union-free environment." They are of the view that "management is more interested in speed-up, more productivity, than in worker input." ... Participation in management decision-making initiatives, according to them, are largely cost driven, motivated by managements desire to abdicate its responsibilities by transferring to the union the role of disciplining workers, setting one worker against the other.

A second concern among local unions is that allowing workers more control over issues involving their work environment may infringe on territory covered by the collective agreement (e.g., hours of work, job descriptions) (Mansell, 1987). Therefore, it may be impossible to keep employee involvement initiatives from interfering with collective bargaining - collective bargaining being unions' major approach to limiting management's control in areas such as compensation, job security, and due process (Mansell, 1987).

Summary

Overall, it appears that workers want to participate in employee involvement initiatives and managers could benefit from adopting such initiatives through improvements in their lagging productivity. Unions also could benefit in terms of increasing workers' loyalties. However, it appears that several obstacles exist which may prevent employee involvement initiatives from being successful.

For managers, undertaking these programs means devoting sufficient time and funds, cooperating with unions, and altering decision-making roles within the firm. It has been suggested that even if management is educated about what needs to be achieved, these requirements may not be met.

All that is required of unions is that they participate in the process. But most national union leaders oppose such schemes in the belief that they are intended to undermine the union. Local unions are also

concerned that employee involvement will interfere with collective bargaining. Thus, unions may not be willing to participate.

CONCLUSIONS AND RECOMMENDATIONS

The discussion so far has indicated that employee involvement programs can lead to favourable outcomes for workers, management, unions and ultimately the Canadian economy. For workers it could mean improved job satisfaction and a way to increase control over decisions which affect their environment. For managers it could provide the key to productivity and quality problems. For unions it could improve the working conditions of their members and increase worker loyalties. But evidence has shown that employee involvement initiatives in Canada compared to the U.S. have developed slowly, especially in the goods-producing sector. Since this is a highly unionized sector, it was suggested that the strength of unionization in Canada may contribute to the lower adoption rate. Moreover, the attrition rate of such initiatives has been reported to be very high.

Six case studies of companies which have experimented with employee involvement programs were examined in order that this development be understood. Several observations were made when "successful" cases were compared to "unsuccessful" cases. First, it was found that without union involvement, only the goals of management may be achieved. Second, the commitment and involvement of managers and supervisors appears important otherwise these persons may feel threatened and attempt to interfere with the process. Third, extensive training for participants seems to facilitate decision-making among the participants. Finally, programs which involve no changes to the traditional decision-making structure within the organization appear to lead to frustration, by the participants, with the process.

On the basis of these observations it was proposed that the success of employee involvement initiatives relies on the following conditions: the involvement of unions; the commitment and involvement of managers and supervisors who are affected by the process; extensive training for participants; and the altering of decision-making roles within the organization. Thus, if employee involvement initiatives are to continue to develop in Canada, these firm-level conditions must be met.

Although all three firm-level players stand to gain from employee involvement initiatives, several obstacles exist which may prevent these conditions from being realized. First, management may not be educated about what is required of them. Even if management is educated, they may not be willing to invest the necessary resources and time, or to cooperate with the union, or to change the decision-making roles within their organization. Second, employee involvement could interfere with the purview of unions in collective bargaining; therefore, insecure local unions may choose not to get involved. Finally, many national union leaders are presently opposed to employee involvement initiatives, which could further deter local unions (especially ones who are not knowledgeable about employee involvement) from participating.

Thus, unless action is taken by management and unions to overcome these obstacles, employee involvement initiatives may not become integrated into Canadian industrial relations. Accordingly, this paper concludes with a number of proactive recommendations for management and unions interested in the development of such initiatives.

First, management must educate themselves about the conditions under which employee involvement initiatives are likely to succeed and commit themselves to creating an environment in which employee involvement can occur. This may require building a new relationship with the union that involves trust and open communication as well as giving up control over some aspects of organizational decision-making.

Second, unions need to invest in their own education about employee involvement in order that they understand how such initiatives can work for them. Furthermore, union leaders need to develop guidelines which state conditions under which they would be willing to accept and support employee involvement initiatives. (For an example of a guideline adopted by a large national union see Appendix A.)

Lastly, although a discussion of the role of the government was beyond the scope this paper, it may be useful to provide some suggestions about proactive actions on their part that may serve to aid in the development of firm-level employee involvement in Canada. First, government could support employee involvement initiatives by funding programs which aid management and unions in gaining expertise about employee involvement. The Canadian Council of Working Life (CCWL) is an example of such a program. The CCWL provides a significant means and resource for assisting and reinforcing the work of QWL-oriented labour relations practitioners across Canada (Fricke, 1988). In particular, it assists in securing funding for worthwhile projects and publishes newsletters and current information on employee involvement initiatives which are operating in Canada. Secondly, most unions will continue to feel compelled to exert as much job control as possible (i.e., through extensive collective agreements) as long as legislation continues to grant residual power to the employer (Mansell, 1987). Since employee involvement could alter the traditional employee-management (hence union-management) balance of job control and responsibility, thereby possibly reducing union control, unions will likely continue to remain opposed to such initiatives. Thus, government could initiate some fundamental changes to the legal framework which provides for better protection of union status, so that unions are less threatened by the prospect of participation in employee involvement initiatives.

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APPENDIX A

Adams (1990) reports that at the United Steelworkers of America Canadian Policy Conference of 1987, Facing Management's New Workplace Strategies, the Steelworkers set out the specific terms under which they would participate in QWL programs:

1. Any programme should be negotiated and form part of the collective agreement.
2. Any jointly established committee should possess real, clearly defined power.
3. If the union is to participate in any way, it must have unlimited access to information, including prior studies.
4. The union, as an entity, should be entitled to pursue goals and strategies just as the company does.
5. There must be equal representation on various decision-making bodies; the union must be able to designate the worker representatives and be entitled to change them if necessary.
6. Participation in QWL programmes should not result in reduced employment.
7. Either party should have the right to terminate the programme within 30 days written notice.

(Adams, 1990, p. 14-15)



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