

# NEWSLETTER

Published by CANADIANS FOR A DEMOCRATIC WORKPLACE

DEMOCRACY IN THE WORKPLACE: A COMPARATIVE ANALYSIS OF PARTICIPATIVE AND NON-PARTICIPATIVE ORGANIZATIONS

"Industrial democracy" has become an issue of major political and social significance in industrialized western nations. While social legislation has proceeded more quickly in Eastern and Western Europe than in North America, we in Canada will undoubtedly find in the years ahead, increasing pressure both from employees within the organization and from sources outside of the organization to democratize the work place.

Beginning in the fall of 1978, a major study of employee participation was launched by Queen's University. Our intention is to provide a broad based yet detailed analysis of firms in the private sector which have substantially redistributed power from upper to lower hierarchical levels. By studying a large number of cases in detail, we hope to overcome the limitations involved in single case studies, while at the same time

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## NEW LABOUR PUBLICATION PROMISES NEWS ON QUALITY OF WORKING LIFE

A recent newsletter called "The Labour Scene" promises timely reports on the quality of working life and other aspects of Canadian labour affairs of interest to NEWSLETTER readers.

The first issue appeared in April 1979 and promises to publish monthly on labour topics related to worklife, the economy, equal opportunity, health and safety, and benefits.

The editor is Gordon McCaffrey, former labour adviser to John Munro when he was Canada's labour minister.

McCaffrey also worked at the Canadian Labour Congress headquarters from 1969 to 1974

and before that was a business and labour reporter for several news outlets, including The Toronto Star.

Its eight well-written news-packed pages attempts to do in a nutshell what the now-dead Labour Gazette used to do in a more extensive form. The new newsletter, however costs considerably more than its eminent predecessor. While regretting the demise of The Labour Gazette, one hopes McCaffrey makes a go of his new publication. There are so few good labour publications still around these days.

The Labour Scene is available at \$10 a copy or \$90 a year from: Labour Research Associates, Box 4747, Station E, Ottawa Canada K1S 5H9

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providing a large sample for statistical comparisons of employees in highly participative and conventionally managed organizations.

A sample of 10 firms with some form of "industrial democracy" were selected. Among these firms are some familiar names--Tembec Forest Products, Supreme Aluminum Industries, The Group at Cox, and Lincoln Electric. Each of the 10 companies is matched with a non-participative counterpart on the following dimensions: number of employees, products/technology, geographic location, ethnic composition of the work force, union/non-union status, and plant type (parent or branch plant). We were able to achieve a very close matching of each of the 10 participative firms with a non-participative counterpart, although inevitably some compromises were required.

Within each of the 20 organizations, 50 respondents were selected from three hierarchical levels: (1) upper--including the chief executive officer and all of his immediate managerial subordinates; (2) middle--including all other managers and supervisors; and (3) lower--including white and blue collar workers. In total, 1,000 participated in the study.

Each respondent was interviewed by a member of the study team, then given a 176-item questionnaire to be completed at the workplace. Each respondent was also observed at the work place. Observations of production workers typically required 20 minutes each while interviews/observations for managers and supervisors typically required 45 minutes each.

Each respondent's job was evaluated in terms of its physical working

conditions as well as in terms of a number of psychological attributes such as autonomy from supervision, variety, amount of skill required to perform the work, the extent to which the work involved a complete cycle of activities, and the amount of social interaction permitted by the job.

The participative and non-participative organizations were compared on five dimensions: (1) the value system of organization members; (2) the structure of the organization; (3) the interpersonal and intergroup processes within the organization; (4) the reactions/adjustments of organization members; and (5) the nature of work performed by managers and workers.

It is our belief that within any organization the first four concepts are congruent with each other. That is, an organization characterized by a Theory Y value system (positive assumptions about the average employee's honesty, intelligence, motivation and commitment) will tend to have a substantial redistribution of power to all organization members, to rely less upon rules, and procedures to handle contingencies, and allow the employee greater freedom in the conduct of his work.

These organizations will also tend to have positive interpersonal processes such as friendly relations among organization members, and conflict resolution practices which emphasize problem solving and de-emphasize forcing, smoothing or ignoring.

These organizations will also have members: (1) who are



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satisfied with their work, supervision and fellow employees; (2) who are not alienated; (3) who experience little stress at work; and (4) who are highly motivated and committed to their organizations.

We have just completed our statistical comparison of the 500 respondents in the participative and the 500 respondents in the non-participative firms. The differences between the two are dramatic. In fact, we have never seen differences as large as these--although we have compared organizations in Canada and the United States with similar types of organizations in socialist settings such as Israeli kibbutzim and Yugoslavia.

Although space does not permit me to go into detail on the comparisons, I can summarize briefly the nature of the differences in two types of organizations.

Managers and workers in the participative organizations tend to hold Theory Y values, while man-

agers and workers in the non-participative organizations tend to espouse Theory X values. Differences in Theory X-Theory Y values are apparent at lower as well as upper and middle hierarchical levels.

The participative organizations also differ from the non-participative organizations in terms of administrative structure. That is, there tends to be less surveillance of organization members, more opportunities for the exercise of initiative and discretion in the conduct of work, and less emphasis on the hierarchy of authority in the participative than in the non-participative organizations.

Surprisingly however, the participative organizations place greater emphasis on rules, procedures, and written job descriptions than do the non-participative organizations. We find, however, that this greater emphasis on rules and procedures does not prevent employees from exercising initiative on their jobs.

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## NEWSLETTER

NEWSLETTER is dedicated to stimulating interest in establishing a democratic workplace for Canadians.

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## DEMOCRACY IN THE WORKPLACE: A COMPARATIVE ANALYSIS ... continued

the participative organizations, there is much more communication between peers and between superiors and subordinates; everyone in the organization--that is, employees--is consulted more frequently about matters pertaining to the shop floor; and the supervisory practices are generally more supportive and less authoritarian.

Generally, there are large and consistent differences in employee attitudes. That is, employees at different levels in the participative organizations are much more satisfied with a broad range of organizational conditions (wages, fringe benefits, working conditions, nature of their work, the friendliness of their co-workers) than their counterparts in non-participative organizations.

They are also more motivated, more committed to the pursuit of organizational objectives, and they feel more responsible for the success of the organization. They also experience less stress at the work place; they are significantly less alienated, and their satisfaction with life in general is much higher.

The results from this study of 1,000 employees in 20 companies demonstrates that there are significant and predictable correlates of participative decision making practices. Anyone wishing a detailed assessment of this study can write to me at the School of Business, Queen's University, Kingston, Ontario, K7K 3N6 and I can send working papers to you. Detailed case descriptions of

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 WORKERS' SELF-MANAGEMENT AND ORGANIZATIONAL POWER IN YUGOSLAVIA

edited by William N. Dunn  
and Josip Obradovic

This volume is one of the first attempts to bring to English-speaking audiences a selection of representative empirical studies of workers' self-management in Yugoslavia. Each of the volume's 20 substantive chapters is written by a prominent Yugoslav scholar, representing some of the most noteworthy empirical contributions to the study of self-management undertaken in Yugoslavia during the post-war period.

The volume is organized in six parts: I. Theoretical and Conceptual Foundations of Workers' Self-Management; II. Institutional Change and Organizational Dynamics; III. Part-

icipation and Power Structure; IV. Economic and Psychosocial Correlates of Participation; V. The Management of Organizational Conflict; and VI. The Socio-political Environment.

This volume should constitute a basic reference work for sociologists, social psychologists, political scientists, and economists engaged in investigating problems of implementing workers' participation, workers' control, industrial democracy, and self-management in Yugoslavia and other parts of the world.



## DEMOCRACY IN THE WORKPLACE: A COMPARATIVE ANALYSIS ... continued

each of the 10 formally participative organizations will be completed by the end of this summer and will be available to NEWSLETTER subscribers.

Surprisingly, we find relatively few statistically significant differences in the nature of work in the participative and non-participative organizations. Apparently, technological and economic constraints limit the ability of employees to redesign their jobs, even when they have

the power to do so.

We are now broadening our study to include firms which permit employees to share in the profits of the enterprise. A third and final phase of this study will focus on Canadian organizations which are owned by all (or a significant percentage of) employees.

Donald V. Nightingale,  
Professor, School of Business,  
Queen's University

## INDUSTRIAL DEMOCRACY IN THE PUBLIC SECTOR?

Anyone reading on industrial democracy is struck by a glaring omission. There is, it seems, almost total neglect on the relevance of industrial democracy to the public sector. Yet anyone who takes industrial democracy or participation and control by workers seriously can hardly continue to ignore the public sector. Despite the discovery of new-conservative economists and their advocacy of de-regulation and government restraint by politicians, the chances that the decrease in absolute numbers are remote.

Evidence, in fact, points in the opposite direction--that government will be providing more jobs instead of less and that to increase via the private sector. In Canada this growth, while it will continue on the federal level, will be most evident at the provincial level. All this indicates that action on the labour front will continue to shift towards the public sector.

As difficult as the initiation of worker participation has proven to be in the private sector the odds are that it will be even more difficult in the public sector. The public service is still seen as an area where employee participation in decision making should not take place. The public servant is supposed to be "neutral" and take orders from his/her bosses. So the fiction goes--politicians are to make policy and the public service is to faithfully carry them out. Furthermore, while recently some collective rights of public employees have been recognized, vote hungry politicians have been only too willing to engage in union bashing in the public sector if it appears politically opportune.

Yet, anyone who thinks about it realizes that in the long run such attitudes and policies are bound to be counterproductive and point the way to more, not less, conflict, more, not less,

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## INDUSTRIAL DEMOCRACY ... continued

waste in human potential and financial resources.

In fact, one could argue that the public service is one place that needs more not less employee participation. No more than anyone else are public servants one dimensional cardboard figures who leave their democratic values at the door of their workplace each morning. Each has more to offer than is ever accepted. Who hasn't heard of the public servant who has worked for days on a project or a report and then has it totally ignored? The cynicism such actions breed is obvious.

Likewise, the potential for employee participation should also be obvious. As an example, in the areas of health, welfare, and education the positive contribution to be made by public servants who work with the public is enormous. They have seen the problems close up. Their input

into policy making is needed but too often ignored. Examples in other spheres of government activity can easily be found.

Changes, though, will not come about by simply arguing the merits of the case. The costs, monetary and social, for not permitting worker participation must be seen as greater than not permitting it. Any solution will be difficult and in moving toward employee participation in the public service important questions need to be addressed. How, for example, do we mesh political representation, public participation and worker's participation in policy making into something that is coherent and workable?

J.P. Blanc

## NFB FILM ON TEMBEC SHOWN ON CBC

On April 29, 1979, on the full CBC network, the film "Temisaming, Quebec: The Town That Wouldn't Die" was shown presenting the story of the worker's purchase and subsequent operation of the TEMBEC pulp mill at Temisaming. This showing of the film was a television adaptation of the NFB film made several years ago with a 1978 update added.

The film begins the story of TEMBEC while Canadian International Paper (CIP) is in the process of closing the mill.

It proceeds to relate the steps taken by the workers to reopen it, and the magnitude of this task as the mill had stood idle for over one year before it was reopened by the workers.

"The Town That Wouldn't Die" emphasizes the contributions of the workers, townspeople, "founders" (a group of former CIP managers) and the provincial government of Quebec, but also recognizes that TEMBEC began operations at an opportune time as the price of pulp rose dramatically from \$65/ton to

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## NFB FILM ON TEMBEC ... continued

\$500/ton. One of the results of this dramatic increase in the price of pulp has been that TEMBEC was able to purchase two finishing mills--one in Wisconsin--to provide a guaranteed market for its pulp.

While the film is an excellent documentary, the commentary at times conflicts with the dialogue by the workers. For example, while the commentator spoke of the success of the experiment in workers' ownership and control, the workers complained of too many supervisors, distance from management and "a return to the old way."

Despite these problems, there seemed to be general agreement that the operation of TEMBEC by the workers and their representatives was superior to the former management of CIP. Union

president Charlie Carpenter noted that although wages at TEMBEC in 1978 were \$1.10/hour lower than at other pulp mills, the workers were prepared to continue to work at this rate. He also noted the pride felt by the workers citing examples such as their putting TEMBEC bumper stickers on their cars when they went on holidays.

"Temiscaming, Quebec: The Town That Wouldn't Die" is an excellent documentary on the TEMBEC experiment and recommended viewing for anyone interested in workers' self-management.

The NFB film is available, free of charge from National Film Board offices across Canada.

David Walden

## JUST PUBLISHED!

George Sanderson and Frederick Stattenhurst, (with a foreword by Alan Whitehorn). Industrial Democracy Today. Toronto: McGraw-Hill Ryerson Ltd., 1979. (Paperback).



## OBITUARIES

## LABOUR GAZETTE DEAD BUT NOT FORGOTTEN

Despite letters of protest from labour, management and academic spokesmen from across Canada, The Labour Gazette, Canada's oldest journal of labour affairs is dead.

It was among the casualties of government cutbacks announced last year. The magazine was published monthly since 1900 by the federal labour department and has long been regarded as a valuable and objective forum on Canadian labour-management relations.

In recent years it has featured many useful articles on democracy in the workplace, worker self-management and quality of working

life. The last issue was published in December 1979. All that remains is for Parliament to repeal The Labour Gazette Act of 1900 because it was created under federal statute when William Mulock was labour minister and Mackenzie King was named its first editor.

Its annual budget at the time of the cut was \$225,000 and had a paid circulation of about 3,000 although it reached a much wider audience through schools, university and institutional libraries. It has long been considered the "bible" of labour affairs researchers and will likely continue to be so for many years to come.

## NEWSLETTER CEASES PUBLICATION

The editorial board regrets to announce that this issue of NEWSLETTER is the last. Although we have enjoyed en-

thusiastic support and are encouraged by the interest shown in workers' control, we are unable to continue publication.

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