UNIVERSITY OF SOUTHERN QUEENSLAND

The ideology of managers in the management of employees in small and medium sized enterprises in Australia

A Dissertation submitted by

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CERTIFICATION OF DISSERTATION

I certify that the ideas, results, analyses, and conclusions reported in this dissertation are entirely my own effort, except where otherwise acknowledged. I also certify that this work is original and has not been previously submitted for any other award, except where otherwise acknowledged

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Abstract

Alan Fox's unitarist ideology provided a useful categorisation of managerial perspectives on managing employees and the nature of organisation. However, it was an intuitive framework, developed as part of a reformist argument for a pluralist system of industrial relations. It was not based on a systematic, empirical study of managers and, while applied to research, there has been little testing of the construct.

The primary research question addressed in this thesis is whether managers in contemporary SMEs exhibit unitarist characteristics. A number of subsidiary questions follow. The first set explores managers' attitudes towards managerial prerogative, conflict, collective workplace relations and trade unions. Analysis of the data produced 11 unitarist dimensions. The second addresses whether organisational and personal characteristics and managers' perceptions of the limitations on management are significant for SME managers' ideological frameworks. The third identifies whether consultative, participative and collective practices are employed in work organisations. The definition of managerial ideology, including both managers' beliefs and values and also their workplace behaviour and practices, led to testing the relationship between the unitarist dimensions and managerial practice, and managers' satisfaction with employees. Finally, the thesis investigated whether there were any significant links between managerial practices and managers' satisfaction with employee performance.

The methodology included a mail survey of SME managers in Eastern Australia with 206 respondents, and an interview programme of 20 SME managers in Brisbane, Queensland.

The significant findings of this research are, first, that consultative or participative managerial practices do not necessarily reflect a pluralist ideology or orientation. SME managers limit the scope of decisions for involving employees, and usually shopfloor employees, utilising practices that do not compromise managerial power or managerial prerogative. Second, organisational and personal characteristics are relatively unimportant contextual variables in management behaviour in SMEs, unless it was described as a family business. Third, this thesis provides an alternative to the conclusions of some industrial relations scholars that managers employ a mix of unitarist and pluralist strategies. The adoption of apparently pluralist management practices in consultation and employee participation are revealed in this research as being predominantly non-threatening to managerial prerogative and organisational power structures in workplaces in terms of who is involved or excluded, and about what matters employees are consulted or involved. The overall results of managers' attitudes to collective workplace arrangements and trade unions confirm a general unitarist orientation in Australian SMEs. Fourth, the evidence does not suggest any clear binding of values and beliefs with managerial behaviour. Underpinning normative perspectives on management is an underlying commitment to protecting managers' power in the work organisation. It is this fundamental political commitment that both guides and constrains strategic choice in managing employees in SMEs. Unitarist ideology is thus central to the norms of management, and goes to the core of managerial prerogative. Finally, the results indicated that SME managers in the study usually did not demonstrate strong attachments to their views on the issues presented to them.

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List of Abbreviations

ABS	Australian Bureau of Statistics
ACTU	Australian Council of Trade Unions
AIRC	Australian Industrial Relations Commission
AMMA	Australian Mines and Metals Association
APPM	Australian Pulp and Paper Mills
AWA	Australian Workplace Agreement
AWIRS	Australian Workplace Industrial Relations Survey
BCA	Business Council of Australia
BHP	Broken Hill Proprietary Limited
CAI	Confederation of Australian Industry
CEO	Chief executive officer
DEIR	Department of Employment and Industrial Relations
HR	Human resources
HRM	Human resource management
ILO	International Labour Organisation
MUA	Maritime Union Australia
QA	Quality assurance
SME	Small and medium sized enterprise

CHAPTER 1: THE STUDY OF MANAGERIAL IDEOLOGY IN AUSTRALIAN SMALL AND MEDIUM SIZED ENTERPRISES

1.1   Introduction

Industrial relations is centrally concerned with the problematics of the relationships between management and employees in work organisations. The problematics of the management-employee relationship extend beyond the organisation, are governed by legislation, are influenced by political ideologies, and are affected by the actions of institutions outside the work organisation. Work organisations are those organisations whose principal purpose is the production of goods or the provision of services, and those purposes are achieved through the labour of employees.

One of the areas an industrial relations researcher might address relates to the assumptions, or the beliefs and values, or ideology, of managers about, and the behaviour of managers in, managing employees. This particular problematic is the subject of this thesis.

Although industrial relations scholars have, for the most part, only marginally addressed managerial ideology, the focus of this thesis does have some antecedents. The most influential of these was Alan Fox's papers on managerial ideology in the mid-1960s (Fox 1966a; 1966b). Fox's 1960s essays and books (1971; 1973; 1974) popularised among industrial relations academics the classification of managers' assumptions about the employment relationship into three frameworks or ideologies. These were the unitarist, pluralist and radical (Marxist) frameworks. These frameworks generated considerable discussion about management style in the United Kingdom during the 1980s and about the appropriateness of the pluralist models initially proposed, and later repudiated, by Fox (1974).

Alan Fox's 1966 essays on management (1966a; 1996b; 1969) popularised the classification of managers' assumptions about the employment relationship into three frameworks or ideologies: the unitarist framework, the pluralist framework, and the

Marxist, or radical, framework. The purpose of his paper, written for the British Royal Commission on Trade Unions and Employers' Associations, was to demonstrate specifically that 'group conflict within work organizations was, in our pattern of society at least, endemic to the situation and not simply the result of ill-disposed agitators using their influence for political ends' (Fox 1990, p. 231).

Accounts of unitarism commonly contain a number of characteristic attitudes towards, and assumptions about, the role of management, the nature of work organisations, employee-management relationships, the role of organised labour, and conflict. Emphasising the role of managing employees in the achievement of organisational goals, the unitary perspective of the organisation stresses a community of interest, common values and shared objectives between employers and employees. Management prerogative is inherent in the structure and purpose of the organisation. The underlying assumptions of unitarist perspectives are that harmony is the norm for organisations, the respective parties (management and workers) are on an equal footing and conflict is the product of mischief.

A significant implication of the unitarist perspective on conflict, that has a bearing on managers' attitudes towards collective bargaining and trade unions as the agents of employees, is that conflict is irrational. A key conclusion to be drawn from this perspective on conflict in the workplace is that conflict, in whatever forms it may be manifested, is a deviation from the normal harmonious relations between employers and their employees. The implication of such a conclusion is that the agenda of an external body such as a union bears the seeds of dissent and conflict because the objectives of the union are at odds with the objectives of management. Trade unions are regarded as a third party intrusion into the organisation, which competes with management for the loyalty of employees (see, for example, Salamon 1987, p. 27) and undermines managerial prerogative.

A growing area of research interest for industrial relations scholars has been the employment relationship in small business and non-unionised firms. The scope of this thesis encompasses the assumptions of managers in small and medium sized enterprises (SMEs) about managing employees. For the purposes of this thesis, and consistent with

other work on SMEs by Wiesner and McDonald (2001a), SMEs are defined as organisations with between 20 and 200 employees.

While Fox's work was based on his observations around 40 years ago, this study has ongoing relevance for the analysis of industrial relations in Australia within the context of industrial relations reform during the 1980s and 1990s and the current Coalition Government's plans to make substantial changes to Australian industrial relations legislation. The policy background to the research and the unitarist characteristics of some of the responses are outlined in section 1.2. In section 1.3 there is a brief description of the breadth of references to unitarism in industrial relations publications, followed by a discussion in section 1.4 of the terminology used. This thesis refers to the ideology of managers in SMEs. There is a discussion of the definition of SMEs in section 1.5. The justification for, and timeliness of, conducting research on the unitarist ideology is presented in section 1.6. This is related in section 1.7 to the objective of the thesis and presentation of the principal research question, from which all the other research questions flow. The research methods employed are introduced in section 1.8 followed, in section 1.9, by recognition of the limitations of the research in the thesis. Finally, section 1.10 briefly outlines the structure of the chapters in the thesis.

1.2 Background to the research: unitarism and the Australian public policy debate

In the context of an increased focus on management in industrial relations studies, outlined in chapter 2, section 2.2, the question of the values and beliefs of managers is relevant to furthering the understanding of management in industrial relations processes by examining one of the key contributions on managerial ideology, Fox's unitarist framework.

Debate on the future of Australian industrial relations during the 1980s and 1990s and the proposed changes to industrial relations legislation in 2004-2005 essentially focussed on two perspectives on legislation as a framework for reform in the regulation of work within organisations. These perspectives broadly followed the distinction made by Fox between unitarist and pluralist industrial relations.

The Australian debate covered a range of issues: decentralisation of the determination of terms and conditions of employment; whether unions should be the principal bargaining agents in negotiations between employers and workers; the special legal status of unions; whether strike action should be protected; the role of the Australian Industrial Relations Commission (AIRC) in determining wages and conditions and resolving disputes; deregulation of the labour market; whether awards and agreements should have collective or individual application to employees; the application of bargaining in non-unionised workplaces; and the transformation of work practices to bring about greater competitiveness of Australian industry in a global market through productivity, efficiency and flexibility.

While there was a broad consensus in Australia about the need for change during the 1980s and 1990s, the debate was fuelled by deep divisions about how that change was to be effected and how far the changes should range. These divisions were rooted in fundamentally different assumptions about the nature of the employment relationship. The central divide at the public policy level was reflected by the contrasts in emphasis on the generation of workplace agreements between the *Industrial Relations Reform Act* 1993, introduced by the Keating Labor Government, and the Howard Coalition Government's *Workplace Relations Act* 1996. The former Act distinguished between collective agreements involving unions ('Certified Agreements') and non-union, collective agreements between employees and employers ('Enterprise Flexibility Agreements'). The 1996 Act provided for three types of arrangements: 'Certified Agreements', which were collective agreements negotiated with unions; a second type of 'Certified Agreement' which could be unilaterally developed by management and put to a vote of employees, with or without negotiation, negating the term 'agreement' in the designation; and individual contracts ('Australian Workplace Agreements'). The provisions for these types of arrangements were set against a principle of 'freedom of association', which made no reference to the ILO Conventions No. 87, 'Freedom of Association and the Right to Organise', as the Keating Government legislation had, or Convention No. 98, 'Right to Organise and Collective Bargaining'. The freedom of association principle in the objects of the *Workplace Relations Act* refers only to 'the rights of employees and employers to join an organisation or association of their choice,

or not to join an organisation or association' (Thorpe & McDonald 1998, p. 25). By 2004, the Liberal Party had translated the principle of individual choice (White 1978, p. 26) into an emphasis on protection, promotion and enhancement of a 'freedom to contract' (Liberal Party 2004, p. 6).

It could be argued that the *Workplace Relations Act* 1996 and the Coalition's industrial relations policy during the 2004 elections (Liberal Party 2004) represent the ascendancy of unitarist industrial relations in Australia. Bennett (1994, p. 227) characterised the managerial views, which prevailed in the debate, as 'a form of managerial fundamentalism which rejects unions, insists on unilateral management control and on the identity of interest between employer and employee'. These are three of the key characteristics of a unitarist framework delineated in textbooks, for example, in Deery, Plowman, Walsh and Brown (2001, pp. 7-8).

Current developments in Australian industrial relations and the road to the transformation of industrial relations in Australia during the 1980s and 1990s indicate that the study of unitarism retains contemporary relevance for research.

The ascendancy of management in terms of regaining managerial prerogative, obtaining significant concessions in collective bargaining, and in adopting strategies which challenge the assumptions which underpin collective industrial relations was explained in the United States in terms of a 'transformation' theory (Kochan et al. 1984; Kochan et al. 1994). The transformation of industrial relations was conceived as a dynamic interaction of environmental pressures, managerial values and existing business strategies, structures and policies, which drive industrial relations, and human resource management policies (Kochan et al. 1994, p. 13). Managers are depicted as decision-makers and initiators in making strategic choices. This contrasts with Dunlop's theory of adaptive systems (Roomkin & Juris 1990, pp. 108-9).

Although Kochan et al. took the declining fortunes of the U.S. labour movement as their starting point, management values and strategies were positioned at the centre of their analysis. This analysis depicted management seizing the initiative over unions in dealing with the substantial environmental changes of the 1980s and 1990s (Kochan et al. 1984;

Strauss 1984; Adams 1988b; Aaron 1987; Salaman 1989; Barbash 1991; Craypo 1992). As Gospel (1983a, p. 1) noted, it is management, which 'plays a predominant role in shaping work relations and the industrial relations system'.

The American experience was more than a matter of timely strategic initiatives and adaptation to a changing economic environment. Kochan, Katz and McKersie argued that one of the key characteristics of their transformation theory was the venting of latent union avoidance under the financial stresses of the deep recession of the early 1980s. Lawler (1990) suggested that aggressive anti-unionism might be an outcome of shifting management values and ideologies. Kochan et al. (1994, p. 14) disagreed, suggesting that rather than a change in managerial preferences or ideology, United States managers had always opposed the idea of unions in their businesses and that union recognition was a pragmatic or strategic adaptation to the high costs of avoiding or dislodging established unions. It is attitudes to collectivism and trade unions, which alert the industrial relations student to the ideology of managers, together with managerial attitudes towards managerial prerogative and conflict.

The changes experienced in the United States were reflected in Australia by a range of new and different management approaches to industrial relations regulation, during a 'decade of continuous change' during the 1980s, (Dabscheck 1989, p. *x*). The propensity for some firms to pursue actively the decline of trade unions through anti-union court actions became more common in Australia, although still unusual, with cases such as Mundginberri Meat Works and Dollar Sweets where employers sued the unions for taking industrial action. Such cases may be seen as an attempt by management to re-establish managerial prerogative through litigation (Thompson 1992). These developments culminated in the award of several million dollars damages against the Australian Federation of Air Pilots following the pilots' dispute of 1989 (McCallum 2002, p. 234).

During the early 1990s, other major employers in Australia adopted anti-union stances, one highly publicized example being an aggressive attempt by Australian Pulp and Paper Mills in 1992 to by-pass unions in introducing workplace changes by refusing to negotiate changes (Thompson 1992). Comalco, a company in the Rio Tinto group, adopted a

sophisticated strategy of union avoidance in introducing individual contracts (McDonald & Timo 1996). The *Industrial Relations Reform Act* 1993, despite its origins in the Accord between the Australian Council of Trade Unions (ACTU) and the Labor Government, provided further stimulus for firms to develop union avoidance strategies. A range of firms such as Woodside Petroleum and Optus introduced non-union enterprise flexibility 'agreements' with their employees (Long 1995, p. 32) under the *Industrial Relations Reform Act* 1993. These cases raised serious challenges to the trade unions' ability to retain membership and representational roles in organised workplaces, and represented the development of workplace scenarios where managerial prerogative prevailed, workplace collectivism was unravelled, and conflict was seen as concomitant with third party interference.

These tendencies received political and legislative momentum through Liberal Party industrial relations policy, *Better Pay for Better Work* (Liberal Party 1996) and the *Workplace Relations Act* 1996. In promoting the new provisions, the federal Coalition Minister for Workplace Relations and Small Business, Hon. Peter Reith, emphasised the ability of employers to by-pass trade unions by utilising non-negotiated certified 'agreements' and individual contracts under the 'Australian Workplace Agreements' provisions, never placing emphasis upon certified agreements negotiated with trade unions (Thorpe & McDonald 1998). In 1998 there was an attempt by Patrick's Stevedoring at replacing the unionised waterfront workforce with a specifically trained, non-union workforce with the involvement of the federal Minister for Workplace Relations and Small Business (Sutton 1998; Elias 1998). By 2004, the Coalition's emphasis on reforming the industrial relations system had overtly placed the interests of businesses at the head of its policy with its key framework based upon 'a more harmonized workplace relations system', assistance 'to business, especially small business, to enter into workplace agreements', in order 'to ensure that the concept of freedom to contract is protected, promoted and enhanced', and to promote individual contracts (Australian Workplace

Agreements) in order to benefit 'small businesses in particular from the workplace flexibility that flows from the use of AWAs'[1] (Liberal Party 2004).

Explicitly confrontationist, 'new right' policies in Australia, reflecting a unitarist perspective on the employment relationship, included the abolition of unions and industrial tribunals (Dabscheck 1992). The president of the HR Nicholls Society, for example, in an address to the Young Liberals Convention stated that the abolition of the Industrial Relations Commission was central to reform (Evans 2002). The Chief Executive Officers of some of the largest corporations in the country, some employer associations, and organisations such as the H.R. Nicholls Society, opposed trade unions, condemned government intervention as collectivist, socialist and economically misguided, and their ideas were based on laissez faire market models and individualism (Levitas 1986, pp. 1-4). Among the employer associations, the Business Council of Australia commissioned an enquiry which recommended the adoption of individual contracts, limited union presence in organisations where 'managers will have a strong incentive to work towards representation arrangements which maximise common purpose', and a diminished role for the Australian Industrial Relations Commission (Hilmer et al. 1993, pp. 110-23). Dabscheck (1992, pp. 313-14) argued that confrontationist policies promoted in 'new right' policies explicitly included the abolition of unions and industrial tribunals. Wright (1995, pp. 208-9) tied in the 'reassertion of managerial prerogative' in the late twentieth-century to the 'confrontational model of the New Right', which he characterised as 'authoritarian' and 'directive'.

Key public policy 'reform' advocates such as Peter Costello - later to become Treasurer in the Howard Coalition Government - supported attempts to remove the protection afforded unions by industrial relations legislation (Costello 1987). 'New right' policies were not always consistent: they also supported a re-direction of state intervention rather than a call for minimalist government (Clegg, Dow & Boreham 1983, p. 35). In the Australian case, this saw the institution of a bureaucracy to support the introduction of individualised agreements (AWAs) – the Office of the Employment Advocate.

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[1] Australian Workplace Agreements

The public policy developments, which flowed from such influences, have been widely regarded by industrial relations scholars in Australia as being unitarist. The *Workplace Relations Act* 1996, it has been argued, is unitarist in intent with respect to weakening unionism, the introduction of decentralised bargaining, the sanctioning and regulation of individual contracts in industrial relations legislation, downgrading the Australian Industrial Relations Commission (Callus 1996; Nelson 1998; Gahan & Hearn-Mackinnon 2000; Thornthwaite & Sheldon 2000), and some work organisations have taken the opportunity to promote a unitarist culture (Campling 1998) and lead to instances of a hardening in management attitudes towards collective workplace arrangements and the unions in some large-scale businesses such as Telstra (Ross 2003, pp. 176-8).

British writers referred to changes in industrial relations following the Thatcher Government policies on industrial relations from 1979 in terms of the reconstruction of workplace industrial relations where management might exercise a wide range of strategies to influence the conduct of industrial relations (Purcell and Sisson 1983, p. 102). Jones and Rose (1986, pp. 35-6; 56) discussed the long-standing characteristics of capital-labour relationships in British industry in terms of an industrial 'transition'. They concluded that there probably has been a permanent alteration in the way work will be organised and the terrain upon which workplace industrial relations will be conducted. The Thatcher programme weakened unions, narrowed the scope of collective regulation, and individualised employment relations (Howell 2004, p. 4). Such developments are to the forefront in Australia as the Howard Government proceeds to attempt to reconstruct Australian industrial relations (Liberal Party 2005) in a unitarist image.

1.3   Unitarism and industrial relations theory

Unitarism has been neither systematically developed nor extensively debated as a concept and there are presumptions about its status as a theory. Typically, accounts will describe briefly the unitarist approaches towards management of employees characterised by F.W. Taylor and scientific management, the Hawthorne - human relations school, and neo-human relations. Unitarism is briefly iterated in most general industrial relations student textbooks in Australia of the 1980s and 1990s. These include Deery and Plowman (1991, pp. 5-9), Horstman (1992, pp. 288-92), Dabscheck (1995, pp. 85-6), Fox, Howard and

Pittard (1995, p. 243), Alexander and Lewer (1996, pp. 6-7), Deery et al. (1997, pp. 1.4-1.8), Mortimer & Morris (1998, pp. 69-70), Keenoy and Kelly (1998, p. 191), and Petzall, Timo and Abbott (2000, pp. 19-20). Dabscheck and Niland (1981, pp. 14-15), in canvassing different approaches to industrial relations, did not refer to Fox's frameworks but, in outlining an approach which focuses on efficiency and output, distinguish between scientific management and human relations. Gardner and Palmer (1997, pp. 231-3) mentioned unitarism in passing in an account of an 'administrative perspective on management'. In his history of labour management in Australia, Wright (1995, pp. 5-6) argued that most managers viewed the management of employees in unitarist terms. An edited textbook (Teicher, Holland & Gough 2002) contained two short summaries of the unitarist framework by Gough, Holland and Teicher (2002, pp 42-4) and Van Gramberg (2002, pp 208-9).

The unitarist framework also received an airing in Australian journals and book chapters. Kirkbride (1985), for example, reviewed Fox's contrast between unitarism and pluralism in a discussion on the neglect of the concept of power in industrial relations research. Rimmer (1989) identified unitarism as a component of 'employee relations'. Boxall and Dowling (1990) referred to the Fox unitarist/pluralist dichotomy in passing. In the mid-1990s, Provis (1996) argued that there had been a resurgence of unitarism in Australia. The accounts in these textbooks and papers summarise and re-state, rather than build upon, Fox's characterisation of 'unitary' managerial attitudes towards the management of employees and labour relations, which was likewise brief.

1.4   Ideology: assumptions, attitudes, perspectives and values

One of the reasons for the neglect of a developed theory might be that unitarism is not a theory as such, but merely an industrial relations classification of a set of assumptions made by managers about the power structure within work organisations. Unitarism thus presently has the status of a management-centred ideology rather than a theory of managerial behaviour. Nevertheless, some texts do refer specifically to unitarism as a theory (eg., Nicholls 1999, pp. 17-21), and this is implicit in the industrial relations accounts of unitarism in textbook chapters devoted to theory in industrial relations.

The term, assumptions, is used in this thesis generically to refer to the values[2] and beliefs subscribed to by managers. Values and beliefs are treated as synonyms. It relates to ideology because ideology constitutes a set of general, taken-for-granted beliefs about how the social world operates to identify what outcomes are desirable and how they can best be achieved (Simons & Ingram 1997, p. 784). In the context of discussing the industrial relations ideology of Canadian academics, Godard (1992, p. 239) defined ideology in terms of 'frameworks of interconnected values, beliefs, and assumptions'. Ideology thus also provides a reference for management behaviour (Starbuck 1982; Alvesson 1991; Godard 1997) and legitimacy for desired courses of action (Goll & Zeitz 1991, p. 191). The term, 'values', refers to 'a broad tendency to prefer certain states of affairs over others' (Hofstede 1998, p. 478) or provide 'definitions of what is desirable within a group or society' (Watson 1980, p. 10). Other studies refer to attitudes and these are the focus of much of the literature on quantitative methodology when it addresses abstract conceptions. Thus, Oppenheim (1992, p. 175) notes that 'attitudes are parts of a wider compound of values, beliefs and feelings'. Throughout this thesis the terms 'assumptions', 'perspective' and 'attitudes' will also be used to refer to values. Beliefs or values are linked as inextricable elements of managers' construction of organisational 'reality' generally, of the management-employee relationship in particular, and of the course of action managers adopt in dealing with that relationship.

1.5   Small and Medium Sized Enterprises

In this thesis, the study of unitarist ideology focuses on managers in small and medium sized enterprises. The thesis was developed in the context of a wider research project on employee management and organisational change in Australian SMEs developed and conducted by the author and Dr Retha Wiesner at University of Southern Queensland.

The most common definition is around employee numbers (Atkins & Lowe 1996) and there is great variation between approaches to the range workforce sizes that constitutes a small or medium sized business. They found that 34 of 50 empirical studies of SMEs used employee numbers as the criterion for determining size. The European

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[2] Gouldner (1971, p. 32) refers to beliefs as 'background assumptions'.

Commission's definition avoided the complexities of differentiating between industries adopted by the 1971 UK Bolton Committee by focussing on the size of the firm's workforce (Storey 1994). Johns et al. (1989) also differentiated employment size between industries in considering Australian small business. Julien et al. (1994) in a regional study of SMEs in Quebec, Canada, settled on 250 as the maximum size. The European Commission distinguished between small enterprises (10-99 employees) and medium enterprises (100-499 employees) so that, according to the European Commission, a SME is an organisation, which employs fewer than 500 workers. There is, therefore, some debate about what constitutes an SME (Johns et al. 1989; von Potobsky 1992; Storey 1994; Cutcher-Gershenfeld et al. 1996; Osteryoung et al. 1995) with definitions varying between countries and industry sectors. A manufacturing business of 500 employees would likely be classified as an SME in the USA but would constitute a large organisation in Australia (Johns & Storey 1983, p.5).

While there are variations in the literature for determining the size of an SME between countries, this also occurs within countries. Upper limits as high as 500 and as low as 100 have been applied to small business in the USA (Hornsby & Kuratko 1990; Osteryoung et al. 1995). Numbers as high as 500 have also been applied in the UK (Duberly & Walley 1995) although an upper limit of 200 is more usual (Atkins & Lowe 1996; Bacon et al. 1996; Joyce et al. 1990). Other elements in the definition of SMEs have included the type of ownership, degree of corporate independence, the nature of managerial processes, the degree of use of business planning, turnover rates and value of assets (Atkins & Lowe 1996, pp. 42-3; Bacon et al. 1996, p.85; Duberly & Walley 1995, p.893; Hornsby & Kurato 1990, p.9; Joyce et al. 1990, p.50; Osteryoung et al. 1995, p.77). This was discussed briefly in McDonald and Wiesner's paper, 'Collective Bargaining and Organisational Change in Regional SMEs' (1997, p. 486).

Reflecting this definitional focus, some small business and general surveys in Australia have categorised businesses and workplaces primarily according to size (employment numbers). The most widely used definition of small business applied in Australian studies follows the distinction made by the Australian Bureau of Statistics (ABS). The ABS distinguishes the application of size between industry sectors. Thus, small

business is defined in terms of fewer than 100 employees in the manufacturing sector and fewer than 20 in retail, wholesale, construction and service sectors. The ABS small business classification also requires that an enterprise be independently owned and operated, closely controlled by the owner/managers who contribute most if not all of the operating capital and with the principal decision making functions resting with the owner/managers (ABS Cat. No. 1321.0, 1990). Other distinctions are made, including 'micro business', which are businesses other than agriculture employing fewer than 5 people. The next size bracket was 100-249 employees (Collins, 1993). In the 1990 and 1995 Australian Workplace Industrial Relations Surveys (AWIRS 1990 and AWIRS 1995) workplaces were categorised according to size brackets of 5-19, 20-49, 50-99, 100-199, 200-499, 500+ (Callus et al. 1991; Morehead et al. 1997). *A Portrait of Australian Business* (Productivity Commission/ Department of Industry, Science and Technology 1997), which was a large scale (8756 respondents), longitudinal study of the nature and activities of Australian firms, broke down small business further into 'micro business', that is, businesses other than agriculture employing fewer than 5 people (also an ABS definition) and size categories of 1-4, 5-9, and 10-19 employees. Some other larger studies, such as national surveys of human resource management practices in 1989 and 1993, defined small business as employing fewer than 100 employees. The next size bracket was 100-249 employees (Collins, 1993).

Following Baron (1995), McDonald and Wiesner (1998; 1999) defined SMEs as organisations employing between 20 and 200 employees with small businesses constituted by 100 or fewer employees and medium sized businesses ranging from 100 to 199 employees. Since this was in the context of a research project considering not only employee management practices but also organisational change practices in SMEs, the definition's focus was on employment size. SMEs with a workforce within this range will be expected to have a management structure. Smaller organisations tend to have less formal organisational structures and informal HRM and change practices (Callus et al. 1991; Olson and Terpstra 1992).

1.6   Justification for research on unitarism

In chapter 2, it is suggested that contemporary management practice continues to apply unitarist frames of reference to management in work organisations and is endemic in smaller organisations (Ram 2000). This suggests a powerful reason for testing the unitarist ideal-type posited in Fox's work and applied to accounts of management in industrial relations research. However, there are a number of other, incontrovertible reasons for further research. Taken together, the following grounds suggest a strong relevance for this research on unitarism. By themselves, the individual rationales may be rather less compelling.

There are five reasons for researching unitarism. First, Fox's frameworks have been quite influential in the field of industrial relations, particularly in the United Kingdom and Australasia. His unitarist construct is found described in most industrial relations textbooks in both regions. Second, the frameworks have been found to be inadequate as categories of management behaviour, because, it has been argued, managers may employ a range of pluralist and unitarist strategies in managing employees. Third, aspects of Fox's unitarist framework surface in industrial relations public policy development, which may provide a significant and reinforcing frame of reference for management attitudes and behaviour in the management of employees. This is a major contribution of the study. Fourth, neither Ross nor Fox developed the unitarist ideal-type out of any systematic empirical research. This thesis attempts to remedy this failure by applying the detail of the construct to managerial attitudes towards the management of employees. Fifth, the concept has been applied to occasional studies of management in the field of industrial relations, but Fox's ideal-type has been tested in few studies. It is these final two aspects, which constitute the most persuasive reasons for undertaking this research. Each of these points will now be considered in more detail.

In his 1966 paper, 'Managerial ideology and industrial relations', Fox observed that 'if there is something approaching consensus among detached observers of industry that a given pattern of ideas is sufficiently widespread among managers to be noteworthy, a valid basis for discussion exists' (Fox 1966b, p. 366). That remains pertinent, as some industrial relations scholars have argued that there has been a resurgence of unitarism (Kessler &

Palmer 1996; Provis 1996; van den Broek 1997) and that human resource management has sustained unitarist perspectives on the employment relationship (Haworth 1987). However, unitarism does not, of necessity, involve managerial abandonment of collective bargaining and collective forms. Danford (1997), for example, studies a case of management's retention of collective forms with the objective of ensuring outcomes compatible with organisational objectives, while asserting managerial prerogative, focussing on shopfloor cooperation and participation, and emphasising joint interests of management and employees. These studies suggest that research on the unitarist perspective remains relevant to the study of management in industrial relations, notwithstanding that the notion of a unitarist ideology is widely iterated in industrial relations texts, however briefly, as indicated in section 1.3 above, and in Australian human resource management texts (Dessler, Griffiths, Lloyd-Walker & Williams 1999, pp. 641-2; Stone 2002, p. 530).

Fox's 'framework' has been called an ideal-type (Purcell & Sisson 1983; Danford 1997) rather than a model. Following Weber's distinction between an ideal-type and a descriptive type, the latter being an 'abstract synthesis of those traits which are *common* to numerous concrete phenomena', unitarism might be regarded as a descriptive type. However, since unitarism is an ideology, it is clearly an ideal-type, which Weber defined as 'the one-sided accentuation of one or more points of view (1949, cited in Giddens 1971, p. 142). Fox did not refer to the concept as a theory of itself, although he was interested in developing theory in industrial relations about management behaviour (Fox 1990). It was, rather, a classification of managerial attitudes with which he contrasted other sets of attitudes, in particular, the pluralist perspective. He may have been wise in using the term, 'framework' rather than 'theory'. These frameworks, or perspectives, have been criticised for their inadequate definitions (Jackson 1977, p. 254) and their narrow conceptions (Purcell 1987, p. 534). Jackson (1977, p. 28) pointed out that Fox did not attempt to develop a comprehensive theory of management frames of reference. Later, Fox (1974a) refined his concept by introducing a typology of management style. Purcell and Sisson (1983) further developed a set of five ideal types of management behaviour building on Fox's typology. Fox (1974a, p. 308) did, however, conclude that managers might adopt a mixture of unitarist and pluralist perspectives in their approaches towards the management

of employees as Wright (1995) subsequently found in his study of Australian managers. Later, on the basis that a range of variations might be found in practices where firms ascribed to either a pluralist or a unitarist frame of reference, Purcell (1987) developed a concept of management style around the axes of individualism and collectivism. If critics of Fox's characterisation of managerial perspectives are concerned about the empirical validity of his construct, then this study does make a contribution by seeking to apply his notion in a comprehensive examination of managerial attitudes.

There remains an ongoing potential for usage of unitarist ideology both in studies of managerial assumptions and behaviour at the level of the organisation and, as canvassed in section 1.2, in the development of industrial relations at the public policy level.

References to unitarism had occurred in industrial relations literature to such an extent during the 1980s that Batstone (1988, p. 11), for example, noted that 'the essential features of a unitarist approach to industrial relations have been widely discussed and need little repetition here'. This applied to both the organisational and public policy levels. However, if there is little empirical research on the characteristics of a unitarist ideology, it is apposite that this study will make a contribution to consideration of whether or not the unitarist construct has analytical worth for studies of the management of employees in organisations or of the public policy environment in which managers will manage employees.

Although the construct may provide a useful but limited categorisation of some forms of managerial attitudes and behaviour, and has been widely applied, unitarism does not appear to have been systematically validated empirically. Neither Fox nor Norman Ross (1958; 1964) before him developed the notion of unitarism upon systematic empirical studies. Fox implicitly admitted as much, noting only that his paper was 'written in the belief that the observation of those with knowledge in the field would support certain limited propositions of this nature' (Fox 1966b, p. 366). Fox appears merely to have *described* a set of managerial assumptions, which, in Hill's terms (1981, p. 12), lead to 'a model of the firm as a homogenous community based on shared interests, united by shared values and with a high moral density'. Likewise, there has been little testing of Ross's and

Fox's concept even though a plethora of research publications have applied the concept. This is not an adequate basis for theory and is only the first step in developing a theory of managerial ideology for, as Dabscheck (1995, p. 2) observes, 'Scholars accept nothing *a priori'*. Where the unitarist ideology was tested in Australia (Deery & Dowling 1988), the study was flawed, as is discussed in chapter 2.

This present study therefore seeks to contribute to the literature on managerial attitudes and behaviour by employing an empirical study of managerial attitudes to test the unitarist framework, across its four principal characteristics.

The final reason for the relevance of this study is the question of the affinity between forms of HRM on the one hand and a unitarist perspective on the other (Gunnigle 1992; Muller 1999; Holland, Nelson & Fisher 2000; Gough, Holland & Teicher 2002; Lewis, Thornhill & Saunders 2003). Guest and Hoque (1996, p. 13) drew the distinction between two approaches to a 'new industrial relations'. The HRM ideology, they argued, had the potential to replace the old pluralist industrial relations with individualism. A number of other authors have critically concluded that HRM harbours unitarist and individualistic values (Provis 1996; Muller 1999; Gooderham, Nordhaug & Ringdal 1999; Holland, Nelson & Fisher 2000). Sisson (1989, p. 31), for example, argued that the HRM approach to the management of labour 'is simply a piece of ideology designed to make unilateral management action more palatable'. American models of HRM have been criticized for being based on a unitarist concept of organisation from which have been derived normative and prescriptive accounts of employee management practices (Brewster 1995).

Purcell (1993, p. 517) concluded that HRM contributes to the concentration of power in the hands of management where HRM legitimises managerial authority, employees are referred to as team members, and employees are committed to organisational objectives. The link between unitarist ideology and other management strategies associated with HRM, such as total quality management, has likewise been noted (Snape & Wilkinson 1995; Provis 1996; Boaden 1996; Webb 1996; Castillo 1997; Houston & Studman 2001; Knights & McCabe 2002). Marchington and Grugulis (2000 p. 1119), for example, argue that unitarist assumptions are integral to HRM best practice, particularly since various

forms of participation do not include a provision for an independent employee voice. Heery (1997) equated 'hard' and 'soft' versions of human resource practices in instituting individual performance-related pay with versions of hard or the soft unitarism. Leopold and Hallier (1999, p. 717) tied high commitment/high performance HRM to the individualisation of employment and unitarist approaches to employee management.

There is no universal consensus about unitarism. In response to commentaries in which HRM was aligned with a unitarist framework, Boxall and Dowling (1990, p. 206) argued that analysis of HRM in these terms was 'caught in something of a time warp around Fox's framework'. Like Sisson and Purcell, they sought to develop an alternative typology of management style. Godard and Delaney (2000) suggested that the link between HRM and human relations is not complete, arguing that new work practices and HRM do not fully embrace the human relations version of unitarism, although it does entail a shift away from the traditional pluralist framework of industrial relations. Guest and Hogue (1996, p. 14) suggested that the unitarist-pluralist dichotomy might be better replaced with 'notions of coexistence or complementarity'. The prevalence of HRM and the alternative models of characterising management behaviour suggest that the investigation of unitarism remains a most pertinent research enterprise in this decade.

1.7 Objective of thesis and principal research question

The objective of this thesis is to fill the gap in industrial relations research on management by empirically investigating managers' values as applied to the management of employees. Fox had based his trilogy of unitarism, pluralism and Marxism/radicalism on general observation rather than any systematic empirical study, and he was, as he termed it in his autobiography, 'groping towards a theoretical structure that went beyond' Flanders's theory of collective bargaining in contrast to those who 'had a strong empirical preference with no taste or patience for any attempt to construct a theoretical framework for the subject' (Fox 1990, p. 231). While Deery and Dowling (1988) had set out to examine the ideology of specialist industrial relations and personnel managers, their study did not address the assumptions of managers generally, nor was it a comprehensive examination of the unitarist construct. A critique of this paper can be found in section 2.8 of chapter 2.

This thesis seeks only to test Fox's unitarist framework. This occurs at the level not of grand theory as attempted, for example, by Dunlop in 1958, nor of middle-range theory, but of empirically testing theory (Kochan 1993, p. 362). Thus, the principal research question, from which all others follow, and which guides the research for this thesis is: *Do managers in SMEs exhibit the characteristics of a unitarist ideology in managing employees?* Four sets of attitude scales can be developed from Fox's delineation of the unitarist framework. These are managers' attitudes towards managerial prerogative, conflict, collective workplace relations, and trade unions. This principal research question generates a range of specific research questions and hypotheses about Fox's unitarist framework, which will be addressed in chapter 6.

The first set of specific research questions addresses the significance of relationships between the four unitarist features and various characteristics of the organisation and various characteristics of the manager. The second set covers the significance of the relationship between managers' attitudes and workplace practices. This is followed by an investigation of the relationship between managers' attitudes and their satisfaction or otherwise with employee performance.

The contribution of this thesis to the literature on industrial relations in small and medium sized businesses will be not only to build on research already conducted on management practices in Australian SMEs by Wiesner and McDonald and others by providing empirical evidence regarding the ideology of managers in managing employees in SMEs. How this will be achieved is addressed by considering the methodology to be employed.

1.8   Research methods

If there were an empirical foundation for Fox's influential unitarist framework, it would apply to a population of managers. Individual case studies or ethnographic research into a single or small number of work organisations were, therefore, not considered appropriate. A second option was to interview a number of managers and to conduct an analysis of the transcripts. This did not recommend itself as the primary research method because of cost considerations and limitations on accessing managers in a range

of organisation sizes, locations, industry types, and corporate structures together with the added problem of generalisability.

It was decided, therefore, to conduct the research principally by the administration of a mailed survey questionnaire. Questions were developed either from the literature or from statements in the public domain, which reflect managerial values and from other research conducted as part of McDonald and Wiesner's research project on employee management in SMEs. There were two main types of questions in the survey. First, there were forced-response questions which either required a yes/no answer or which required the respondent to identify categories into which characteristics of their organisation, their personal background, or their practices fell. The second set of questions related to the five components of Fox's unitary construct, identified in section 1.4 above. These utilised five-point Likert scales to identify the intensity of managers' values regarding selected aspects of management.

In addition, a semi-structured interview program was conducted with 19 managers in the Brisbane metropolitan area, covering the main aspects of the unitarist construct (see p. 146). This programme was designed both to obtain qualitative data and to assist in the development of the final survey questionnaire.

This research was conducted in the context of a wider study of the management of employees and organisational change in Australian SMEs conducted with my colleague, Dr Retha Wiesner. The broader study has undergone four phases. First, there was a regional pilot study of 70 managers in the Toowoomba area; second, a survey of Queensland SME managers; third, an Australia wide survey of SMEs using a Dunn and Bradstreet stratified sample (see p. 211); and, fourth, the commencement of a number of international collaborations.

The sample frame included two types of respondents: those who had participated in the national survey of Australian SMEs and who had indicated that they were prepared to participate in further studies conducted by Wiesner and McDonald; and those who did not give such an indication. Every second respondent to the national survey, of both types, was selected in order of receipt until a sample of 500 managers was achieved.

The second determinant of the sample was the location of the respondent's organisation in the eastern states of Australia.

1.9   Limitations

There are a number of methodological limitations in self-reporting in surveys. These are discussed in more detail in chapter 4. The findings of this thesis refer only to managers in SMEs and do not necessarily apply to managers in larger organisations. However, small and medium sized businesses do constitute the bulk of organisations in the Australian economy and employ a significant proportion of the workforce, and thus managerial ideology in SMEs is significant for the Australian work experience generally. Are the characteristics of SME managers found in this survey applicable to all SME managers? While the original sample frame for Wiesner and McDonald's research on Australian SMEs was stratified according to size, state and industry, this is not true for this sample, which is a sub-set of respondents in that original sample frame. This is an Australian study and there is a need to conduct further research both in this country and overseas.

Fox developed the unitary framework as a category of managerial ideology, which he contrasted with a pluralist framework. In this thesis, any conclusions with respect to alternative frameworks to unitarism are avoided. Given that some of the recent industrial relations literature argues that unitarism is alive and well in managerial perspectives, leading to the coining of the term 'neo-unitary' theory (Nicholls 1999, p. 20), the purpose of this thesis was to test these assertions by empirically investigating whether those unitarist characteristics are commonplace among contemporary SME managers.

Another limitation of this thesis is that it does not explore the intellectual origins of Fox's classification of the unitarist framework beyond a brief consideration of Ross's 1958 essay (Ross 1958), which applied the unitarist construct to management. This path would lead us to an examination of the liberal and neo-liberal origins of unitarism and a detailed study of managerial texts such as those by Fayol, Taylor, Barnard, Drucker, Peters and Waterman, and others. Only passing reference has been made to that genre.

A theoretical tradition, to which unitarism may be linked, is structural-functionalism (Hyman & Brough 1975, pp. 150-7; Burrell & Morgan 1979). This is referred to briefly in the discussion on the ontology and epistemology of the study (section 4.2).

A further limitation is that the thesis does not attempt to locate the social origins of managers' assumptions about managing employees. It was feasible for this research to have also embarked on such aspects as the manager's social class, investigating class proxies such as parent's occupation and educational levels (for example, see Mitchell 1998) or managers' wealth and income. The choice made was to limit the extent of the research on these types of issues to the highest level of education of the manager, the source of their managerial ideas and whether they are owners of the work organisation, and to leave detailed class and social analysis to other projects and other researchers. There are two reasons for this limitation. First, the effort of the research for this thesis was directed towards an in-depth examination of managers' perspectives on the employment relationship and whether that perspective constituted a unitarist ideology rather than the historical and intellectual origins of those assumptions, although the intellectual traditions are briefly surveyed in chapter 2 (section 2.4). On the one hand this avoids reductionism, but the danger of this approach, on the other hand, is that it might lead to an analysis devoid of context. This is avoided by studying managers' ideology as both the context itself of managerial behaviour and whether management behaviour reflects any unitarist ideology. However, the focus is upon the ideology of managers as organisational participants rather than their hegemonic role, although the conclusions drawn about consultation and employee participation suggest that these practices, as applied in SMEs, serve to sustain managerial prerogative. In their role as agents of the owners of the means of production they may be seen to be part of such a class, although, as Nichols (1969) points out, managers have their own distinct interests.

1.10   Outline of the thesis

In chapter 2, the research commences with a literature survey of ideology. This review will address some of the various theoretical approaches to the question of ideology generally. Both managerial ideology and the industrial relations literature on unitarism are specifically considered, including a review of the strategic choice literature. The

review in chapter 3 narrows the focus to specific sources for each of the questions in the survey questionnaire.

In chapter 4, the methodology employed is described and the questionnaire subjected to validity checks, reliability tests and factor analysis. The ontological and epistemological issues associated with choosing an empirical methodology are discussed. This discussion is seen as particularly significant for any researcher in a discipline, which addresses the problematics of work, a key focus of industrial relations, as defined in section 1.1.

The results from the interview programme are enumerated, collated and summarised in chapter 5. Chapter 6 reports the findings of the survey data and these are analysed to determine the significance of relationships between the variables tested. Finally, in chapter 7, there is discussion of the findings, which relates the significant relationships between the unitarist and other variables to the literature, and discusses implications of the conclusions for industrial relations and further research in the field on management.

CHAPTER 2: LITERATURE REVIEW: UNITARISM AND IDEOLOGY

2.1   Introduction

This industrial relations thesis studies the ideology of managers in the management of employees, in particular the concept of a unitary framework, which is said to be characteristic of some managers' perspectives on the role of controlling, directing and leading employees.   The topic falls within the context of the growth of interest in management among industrial relations scholars since the late 1980s.   Furthermore, a number of industrial relations writers argue that this unitarist ideology has contemporary pervasiveness.   Because the research was conducted within a broader project on employee management and organisational change in small and medium sized enterprises (SMEs), this investigation of unitarism is limited to an examination of managers and their attitudes in establishments whose employment size ranges from 20 to 200 employees.

The community of industrial relations scholars now has an established interest in management and the roles of managers in the employment relationship, an interest that has grown since the late 1980s.   Nevertheless, the landmark work on managers' behaviour in industrial relations was conducted in the late 1950s and the 1960s by, first, Ross (1958) and then, more influentially, by Fox (1966a; 1966b).   Fox followed these influential papers with further publications in the 1970s on the typologies of management behaviour (Fox 1971; 1974a; 1974b).

Fox identified three 'frameworks' which might guide managerial approaches to the management of employees: unitarism, pluralism and radicalism.   In this thesis, the focus is on the first of these frameworks.   Unitarism is commonly defined in terms of managers' ideas, attitudes or beliefs.   Thus, according to the *Glossary of Australian Industrial Relations* unitarism is a set of 'beliefs, orientations or a predisposition', which operates as a 'philosophy or style of management [guiding] managers' actions with respect to organisational policy and practice' and which 'forms the basis for traditional management and organisational practice' (Sutcliffe & Callus 1994, p. 198).   This philosophy or style encompasses a view of the organisation as a unitary structure notwithstanding the

complexity that accompanies larger organisations and the variety of forms of specialisation, standardisation, formalisation, centralisation and configuration of the manager's role structure, which are to be found in them. Fox specifically identified the unitary framework as an ideology derived from the 'classical school' of management, which includes scientific management and the 'human relations' or 'naturalistic school' (Fox 1966b, p. 366). As indicated in chapter 1, section 1.1, there are four key sets of attitudes with which managerial unitarism is associated: attitudes towards managerial prerogative, conflict, collective workplace relations generally and trade unions specifically[3].

The purpose of this chapter is, first, to place this thesis within the context of research in the industrial relations field on management and research on industrial relations in small and medium sized enterprises. The second intent of this chapter is to provide a broad background in the literature on ideology generally and the specific work of Fox and his successors on unitarist ideology in particular. This will be significant for aspects of the empirical investigation into the ideology and behaviour of managers in SMEs. In chapter 3, the direct relationship between the literature and the aspects of unitarism to be investigated in this thesis are enumerated.

2.1.1 Arrangement of the literature review

This chapter commences with an account of the growth of interest in managers among industrial relations researchers (section 2.2) and of industrial relations research in small and SMEs in section 2.3. The intellectual traditions of unitarism are outlined in section 2.4. Fox identified these as scientific management (sub-section 2.4.1) and the humanist/neo-humanist traditions (sub-section 2.4.2). Two implications of these approaches to management of labour for perspectives on the employment relationship and work organisations are then developed in section 2.5: the emphasis upon consensus and harmony (sub-section 2.5.1) and the notion that power is neutral (sub-section 2.5.2). The section concludes with a brief reference to management styles, which Fox (1974) developed from a high trust/low trust dichotomy. The question of the relevance of

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[3] Kitay and Marchington (1996) refer to management dimensions, which include attitudes to at least trade unions, employee participation, and conflict resolution.

unitarism is discussed in section 2.6 in terms of its usefulness as a framework for managing employees and as a construct in the analysis of the employment relationship. Fox's analysis of managers' approaches to the management of employees is treated in terms of unitarism as an ideology in section 2.7). The use of the term, ideology, has had a number of problems attached to it. These are discussed in sub-section 2.7.1, followed by a critical reference to Dunlop's use of ideology in his model of an industrial relations system (sub-section 2.7.2). Unitarism as ideology is placed within the broader context of Marxist and non-Marxist notions of ideology. One of the influential non-Marxist constructs of managerial ideology is the concept of strategic choice. The discussion of this proceeds in sub-section 2.7.3 and is related back to management and ideology in sub-sections 2.7.4 and unitarism as ideology in sub-section 2.7.5, followed by drawing of the distinction between management and employers (sub-section 2.7.6). Distinguishing between studies that utilise the unitarist label and those which empirically analyse managerial ideology, the review then proceeds to a critical account of Australian studies of managerial ideology (section 2.8). The chapter is summarized in section 2.9.

In placing the question of managers and a unitarist ideology in a broader context, the next section considers industrial relations approaches to management.

2.2   Management in industrial relations research

The study of management from an industrial relations perspective has grown out of interest in the phenomena of organised labour and collective bargaining (Taylor & Bray 1986, p. 1; Strauss 1998, p. 179). This was stimulated by changes in management strategies (Kochan et al. 1994), particularly as the parties dealt with workplace changes aimed at improving the efficiency and productivity of organisations (Morehead et al. 1997, p. 81).

Research in industrial relations on any aspect of management had had a limited emphasis despite Fox's 1966 paper and, across the Atlantic, Kerr, Dunlop, Harbison and Myers' focus on 'the really universal phenomenon affecting workers – the inevitable structuring of the managers and the managed in the course of industrialization' (Kerr et al. 1960, pp. 7-8). This had also been true for Australian industrial relations research (Lansbury & Ford 1980; Macdonald 1985; Taylor & Bray 1986, pp. 10-11; Blain & Plowman 1987, p. 303; Deery & Dowling 1988; Lansbury & Westcott 1992, p. 402; Wright 1995, p. 2). Bray (1986, p.

124) argued that the neglect was almost complete because of the domination of unions and the arbitration system as research topics. By the late 1980s, Plowman (1989a, p.1) had noted that there was a growing awareness of the need to incorporate the role of management in the study of industrial relations, and warned that the absence of a focus on management would 'put at risk the well-being of industrial relations as a field of study' (Plowman 1989b, p. 10). Nevertheless, there remained at the beginning of the 1990s little systematic or comprehensive information in Australia on the organisation of the management function or the nature of the management of industrial relations (Callus et al. 1991, p. 75). Keenoy, however, had made the broader point that the analysis of trade unions, shop stewards, industrial conflict and collective bargaining would be meaningless without a clear, if sometimes implied, understanding of the role and interests of management (Keenoy 1991, p. 315). Notwithstanding this argument, explicit attention to the industrial relations of management had been a rare phenomenon.

By the mid to late 1990s, there had been a considerable increase in both theoretical and empirical work on management in the Industrial Relations field[4] (Sisson and Marginson 1995, p. 90; Strauss & Whitfield 1998, p. 7). Management is a growing subject of industrial relations research in Australia (Bennett 1999). This emphasis upon the managerial function in industrial relations has been variously attributed in Australia to a 'more assertive approach taken by management to industrial relations matters' (Deery, Plowman & Walsh 1997, p. 6.1), 'changes to human resource management practices initiated by management at corporate and enterprise levels' (Gardner & Palmer 1997, p. 227), and with the growing emphasis upon improving workplace efficiency and productivity observed by Morehead et al. (1997, p. 81), referred to in section 2.1 above. Some of this interest was in response to the development of business strategies associated with changes to production systems, technological developments, skills formation, and job design (Mathews 1994). Such developments had also led to the study of management and industrial relations strategy in United Kingdom (Thurley & Wood 1983; Gospel & Littler

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[4] While it could be argued that human resource management falls within the purvey of industrial relations research, the study of management in the industrial relations field is here distinguished from studies on human resource management.

1983) and the United States (Kochan, McKersie, & Cappelli 1984; Kochan, Katz & McKersie 1994; Strauss 1984; Lewin 1987).

Much of the work on management in industrial relations has had to do with typologies of management style. This is reflected in accounts of management style in industrial relations textbooks in the United Kingdom (Legge 1995; Hollinshead, Nicholls & Tailby 1999; Lewis, Thornhill & Saunders 20030 and Australia (Fox, Howard & Pittard 1995; Keenoy & Kelly 1998; Deery, Plowman, Walsh & Brown 2001) and the report of the second Australian Workplace Industrial Relations Surveys (Morehead et al. 1997). A further summary of approaches to management style is to be found in section 2.6 below.

Before proceeding to the discussion on ideology and unitarism, industrial relations research in the Australian small and medium sized business sector is reviewed.

2.3   Industrial relations and small and medium sized enterprises in Australia

There remains only a small, although growing, body of specific work on industrial relations in Australian small business since the late 1980s. When Sutcliffe and Kitay (1988), surveyed the literature on small business and employment relations, they found 'uncharted territory'. In the 1980s researchers barely recognised industrial relations as applying to Australian small or medium sized enterprises. This is significant because the role of enterprise bargaining in addressing workplace change in the late 1980s and 1990s was central to government strategies in encouraging organisations to adapt to a global economy. An earlier survey of 2,000 very small businesses in NSW found that both employers and employees were more removed from mainstream industrial relations practices than their counterparts in larger enterprises (Sappey 1985). Isaac (1993) also noted that very little systematic study had been published about industrial relations in small business. By the turn of the century, Australian small business industrial relations was still frontier territory.

What was known about industrial relations in small or medium sized businesses by the early 1990s, tended to be inferred from studies of large enterprises (Isaac 1993). Barrett (1995; 1998a; 1998b) and Barrett and Buttigieg (1999) conducted meta-analyses of Australian Workplace Industrial Relations Survey (AWIRS) data. Interest in various aspects of

industrial relations in small business was prompted by the findings of the 1990 AWIRS (Callus et al. 1991) and the 1995 AWIRS findings in which Morehead et al. (1997, pp. 299-322) devoted a chapter to small business industrial relations.

SMEs constitute a significant proportion of all businesses in Australia, and employ a significant proportion of the workforce. This critical mass in the labour market was reflected in the findings of the 1990 AWIRS. AWIRS found that 23 percent of all workplaces employed between 20 and 199 workers and employed 38 percent of the workforce, whereas 75 percent of surveyed workplaces with a workforce of 5-19 employed 23 percent of all employees.

Smaller firms tend to be informally organized, particularly in their management of employment issues. In small firms in the metals industry in Australia, for example, Bramble (1989) found industrial relations practices to be informal and governed largely by management attitudes. Workplaces with 200 or more employees constituted only 3 percent of all workplaces but employed 40 percent of the workforce overall (Callus et al 1991). Callus et al. (1991, p. 161) also found that 71 percent of informal workplaces had fewer than 50 employees, although only 29 percent of workplaces with between 20 and 49 employees were informal, so the assumption that work organisations with more than 20 employees will be more likely to have a management structure was an arbitrary one with some foundation for expecting SMEs with more than 20 employees to have some managerial structure. In 2001, small and medium sized businesses in Australia (20 - 200 employees) employed 31.2 percent of the workforce (Australian Bureau of Statistics 2003). The study will therefore be significant in identifying the assumptions guiding the behaviour of the managers of a significant proportion of the workforce.

There were a few specific Australian studies of industrial relations in small business during the 1990s. The first appears to have been a paper on industrial relations in small Australian workplaces by Callus, Kitay, and Sutcliffe (1992). The second was a joint project of the then Confederation of Australian Industry (now Australian Chamber of Commerce and Industry), the Commonwealth Department of Industrial Relations and Joe Isaac in 1992 (Isaac, Kates, Peetz, Fisher, Macklin & Short 1993), which surveyed a range of industrial

relations issues in member firms affiliated with the Confederation of Australian Industry and employing up to 50 employees. Studies of small business characteristics analysing AWIRS data have considered the empirical evidence about unionisation (Barrett & Buttigieg 1999), industrial harmony in small business (Barrett 1998b; 1999), award coverage, over-award payments, and agreements in small business. The large Business Longitudinal Survey of Small Business reported some individual industrial relations and human resource aspects, such as the presence of agreements or individual contracts, employment arrangements and agreements, and formal training of employees (Productivity Commission/Department of Industry, Science and Technology 1997).

Other Australian studies have provided evidence about enterprise bargaining in SMEs (McDonald & Wiesner 1999) and small business (Cairncross & Buultjens 2002), employee participation (McDonald and Wiesner 1999) and management style (Barrett 1998b; McDonald and Wiesner 2000). Barrett (1995) and Thorpe and McDonald (1997) have referred to award coverage, over-award payments, and agreements in small business, and McDonald and Wiesner (1997) reported on collective bargaining in SMEs.

In addition, there have been some descriptive Australian studies on human resource management in SMEs (e.g., Kotey 1999; Wiesner, McDonald & du Plessis 1997; Wiesner & McDonald 2001a, 2001b). Kotey and Slade (2005) observed that the adoption of formal human resource management practices increases according to firm size in Australian SMEs. Horstman (1999) found that there was a relative lack of interest in workplace agreements in small businesses in the context of Australia's newly deregulated and decentralised industrial relations.

Barrett (1999) examined a single case study in the Australian information industry of size affects on industrial relations. A survey by Curtain (reported in Gome and Way 1994) found negative attitudes to enterprise bargaining in small businesses and he suggested that small business preferred either awards or individual contracts. Ryan (1997) critically examined British studies on HRM and collective arrangements in a study of 'high commitment management' and pluralism in a network of five SMEs. Bacon et al. (1996) and Swain (1997) likewise challenged the characterisation of small

business management style in terms of unitarist attributes of high control and resistance to employee participation.

There is a growing interest in Australian regional small business industrial relations. Markey, Hodgkinson, Murray, Mylett and Pomfret (1997) surveyed small business employment and market structures, human resource management practices and industrial relations in the Illawarra region of New South Wales. Queensland regional studies include work on SMEs in the Toowoomba region (McDonald & Wiesner 1997) and small firm human resource practices on the Sunshine Coast[5] (Kotey 1999).

The development of a small business literature in Australian industrial relations has occurred against the background of similar complaints in the early 1990s about the lack of research on small business industrial relations in the United Kingdom (Purcell 1993), although there was an earlier North American call for greater research interest in small firms and establishments in a paper on employment in small business (Granovetter 1984). Since, there has been a widening interest in human resource management and industrial relations in small business, with growing debates. On the one hand, Marlow & Patton (1993), for example, concluded the profile of small firms is conducive to applying human resource practices to employment in the United Kingdom. Bacon et al. (1996) agreed, finding HRM practices in small business were implemented informally and concluding that the 'bleak house' scenario of no collective representation and an absence of HRM was not the norm, a finding reflected in Wiesner and McDonald's (2001a) study of human resource practices in Australian SMEs. Wilkinson (1999) in a study of employment relations in SMEs concluded that the literature on industrial relations in small business tended to polarise into the 'small is beautiful' versus the 'bleak house' perspective. On the other hand, Duberley & Walley (1995), in a North American study, revealed a lack of strategic HRM in SMEs, although Chapman (1999, p.78) noted that common patterns of behaviour rather than strategy are to be found in small firms. This possibly reflects differences between in human resource management approaches in the United Kingdom and North America.

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[5] The paper is erroneously headed 'Human resource management practices of Gold Coast small firms…' but the study refers to small firms on the Sunshine Coast region of Queensland.

Wagar (1998) in a regional study of Canadian small business found a size effect for the take-up of human resource practices.

General studies of industrial relations, 'employment relations' and human resources in small businesses or SMEs during the 1990s included a prospective study of HR requirements in US small business (Hornsby & Kuratko 1990), human resource practices in small and large Canadian firms (Golhar & Deshpande 1996), and strategic HRM (Duberley & Walley 1995; Marlow 2000). Examples of specific topics have included managerial relations of control in Canadian small business (Chapman 1999), aspects of recruitment and selection (Barber, Wesson, Roberson & Taylor 1999; Heneman III & Berkley 1999), impacts of unionisation on HR practices in small US firms (Flanagan & Deshpande 1996), and the effectiveness of British industrial relations codes of practice and age discrimination in small business (Loretto, Duncan & White 2000). Knight and Latrielle (2001), in a meta-analysis of the 1998 British Workplace Employment Relations Survey data, found a size effect for rates of disciplinary sanctions and dismissals. Other studies have involved small business case studies: employment relations in general practice in the United Kingdom (Newton & Hunt 1997); the impact of customer requirements on small firm industrial relations in the United Kingdom (Kinnie & Purcell 1999); and a single case study of a small, non-unionised firms which employed no standard human resource management practices (Dundon & Grugulis 1999).

The next section considers one of Fox's ideal types of values and beliefs with respect to managing employees: the development of the unitarist ideology.

2.4   The intellectual traditions of unitarism

Fox noted in the mid-1970s that managerial ideology had its origins in the 'historical texture of class, status, and power' and in the assumptions of the common law of employment (Fox 1974a, p. 250). However, it was not until 1958 that Norman Ross introduced the concept of a unitary ideology to the labour management question in industrial relations, criticising management theory for supporting 'the concept of the firm as a unitary or monolithic structure' and emphasising 'integration and organic unity' in industrial organisations. Ross's purpose was to advocate the practical and theoretical importance of applying pluralist models to the theory of the firm in order to overcome the

problems he identified with the application of a unitary model to organisations. According to Ross, the unitary concept brings with it an authoritarianism, which is met by 'employee resentment and resistance'. He argued that trade unions had developed as a 'countervailing power' in response to the exercise of arbitrary management action resulting in an ongoing struggle between management and unions (Ross 1958, pp. 100-103).

The concept became more widely known in industrial relations following the publication of two papers by Alan Fox in 1966 and subsequent publication of his work. Fox, like Ross, developed his account of the unitarist perspective within the context of an argument in which he advocated pluralist industrial relations. His normative argument reflected the emphasis of much post-war British industrial sociology on Weberian ideas of interest group conflict, eschewing unitarist models of industrial organisation (Parker 2000).

Ross and Fox fitted within an industrial relations tradition in which industrial relations research can be characterised as being problem-centred (Shalev 1980, p. 26; Kaufman 1993; Kochan 1993, p. 354; Kochan 1998, pp. 32-4), practically oriented (Walker 1977; Purcell & Smith 1979, p. ix; Hyman 1980, p. 38), and an applied field (Kerr 1983, p. 17). Much industrial relations research has therefore been policy oriented (Rees 1977, p. 3; Kerr 1978, p. 131; Strauss & Feuille 1978; Brown & Wright 1994, p. 153; Strauss & Whitfield 1998; Siegal 1998), a function, which has been urged upon industrial relations scholars (Kochan & Wienstein 1994, p. 501). Fox, in particular, writing for a government review of the British industrial relations system, was reformist and policy-oriented. This approach to industrial relations was part of a long tradition within what Hyman (1989, pp. 5-6) called a 'reformist paradigm' in which there was 'a public policy commitment to collective bargaining as the main vehicle of social welfare and social control in industry'. Indeed, Hyman (2001, p. 475) himself argues for an activist role for industrial relations in 'discovering alternatives' to the 'ideological deployment of ideas of regulation', which are faced in Australia under the Howard Government and in other countries, for, as Cambridge (2001, p. 92) argues, 'The growth of the neoliberal free market ideology and the intensification of globalization have significantly altered the present balance of power among the actors in the industrial relations system'.

Fox discussed the characteristics of unitarism at two levels. At the first level he placed unitarism within its intellectual traditions. At the second level, he referred to unitarism as an ideology. One of these traditions flowed from what he called the 'classical school of management', which was encapsulated in the scientific management movement. The other followed the human relations perspective of organisational relationships. He argued that, although the two approaches were in some respects diametrically opposed with respect to their adherents' perspectives on the sociology of the workplace, there were certain fundamentals common to both (Fox 1966a, p. 368). On this point, Godard (1992, p. 242) complained that Fox's conception of unitarist ideology failed 'to differentiate between the neoclassical or "laissez faire" school in economics and the managerial or "human relations" school in organizational behaviour, both of which arguably embody distinctive ideologies'. However, Fox's treatises on unitarism were sociological rather than economic.

According to Bendix (1974), both scientific management and human relations provided different frameworks for unitarist models of management, transforming managerial ideology in the twentieth-century. The first of the intellectual traditions referred to by Fox is classical managerialism. This is discussed in the next sub-section.

2.4.1 'Classical' managerialism and scientific management

According to Fox (1966a pp. 367-8), the classical managerial perspective, or managerialism, includes managers' perceptions about upholding managerial prerogative, conflict within the organisation, collective arrangements and trade unions. Grey (1996, pp. 601-2) defines managerialism as 'an ideology that secures and legitimates the interests of managers as a social group', which stresses both that the world is manageable and that it should be managed'. In this sense unitarism may be considered a form of managerialism. According to Fox, managerial prerogative encompasses notions of a single source of legitimate authority. Legitimate authority brings with it the expectation of employee loyalty as a moral imperative. Unity of purpose under managerial prerogative is said to be good because managerial prerogative is efficient and will produce such a large surplus that conflict over distribution will be unnecessary. Thus, the achievement of such social and economic outcomes depends upon managers retaining managerial prerogative.

Conflict, including dissenting behaviours, is believed to have no place in organisations. Challenges to legitimate authority are considered incompatible with loyalty. Where conflict does occur, it may arise from employee failings such as short-sightedness or incompetence. Furthermore, management requires scientific determination in matters such as wage rates.

Therefore, within a classical managerialist framework, trade unions have no legitimate role and collective workplace arrangements such as collective bargaining distract and detract from the role of management. Not only does the presence of unions undermine the technical exercise of management functions, but they also undermine loyalty within the organisation and constitute a rival source of authority. This perspective arises from a notion of organisation as an isolated community, which is here taken to mean a discrete social unit. Scientific management, or Taylorism, had codified management practice consistent with these underpinnings.

Taylorism was a mixed bag for managers. On the one hand, according to Bendix (1974, pp 280-1), the major objectives of scientific management coincided with employer/manager objectives: the elimination of 'soldiering', or deliberately and collectively slowing the pace of work; abolishing the 'bad practices of trade unions'; dealing with individual workers rather than collective relations; and the restoration of the absolute authority of management. On the other hand, Taylor's scheme of work organisation diminished the exercise of managerial judgement and discretion, interfering with the exercise of managerial prerogative. It was, nevertheless, a form of rationalising labour by systematic management (Littler 1985, p.11). In the United Kingdom, the reorganisation of work relations was slow, uneven, and challenged by both trade unions and managers alike (Gospel 1983a, p. 14). The patterns of scientific management were not simple. Taylorism was based on 'job fragmentation', often modified, and a mixture of strategies was employed. Many Australian line managers resisted the implementation of scientific management principles because they threatened their traditional shopfloor control (Wright 1995, p. 220) and managerial prerogative.

Scientific management also consisted of a set of ideological assertions about labour and a set of perspectives on the opposition of 'science' and traditional human judgement, in which jobs and tasks and peoples' working lives were treated as a residual factor of the relationship between machines and products (Littler 1985, pp. 11; 21). Scientific management was thus a 'social ideology derived from the technical rationalization of industry' in which management was modelled on the engineering profession, and technology was used for social and organisational control (Merkle 1980, pp. 82, 87, 92-93). Managers dictated to the worker the precise manner in which work is to be performed (Braverman 1974, p. 90). This 'machine model of organization' (Merkle 1980, p. 288) involved management in the process of the gathering and development of knowledge of the labor process, the concentration of this knowledge in the hands of managers, and 'the use of this monopoly over knowledge to control each step of the labor process and its mode of execution' (Braverman 1974, p. 119). Kaufman (1993, p. 24) likewise observed that the Taylorist model was unilaterally implemented and administered by management.

The Taylorist system of scientific management was, therefore, more than a technique of organisation. It was an ideology, which not only was expressed in terms of workplace efficiency but also advanced what Taylor perceived as a social good:

> It painted a picture of a conflict-free, high consumption utopia based on mass production; it presented techniques for the suppression of class conflict and advocated a new unity of social interest; it provided an avenue for middle-class mobility and the growth of a new professionalism (Merkle 1980, pp. 15-16).

This aspect of unitarist ideology had widespread but uneven impact in that scientific management was both the foundation of business administration but was rejected by subsequent management theory. Scientific management displayed a number of other paradoxes, one of the most significant issues being the breaking down of craft skills while opening up the professionalisation of management and other occupations (Merkle 1980, p. 297). The issue of de-skilling, which Braverman (1974) raised as a characteristic of modern capitalism, was controversial[6]. The professionalisation of management involved the notion of management as a highly technical function requiring specialised education,

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[6] The deskilling effects of scientific management was also central to Braverman's thesis (1974), but the deskilling argument was challenged by a number of labour process writers and others who followed (eg., Littler 1982; Wood 1982; Littler & Salaman 1982, Storey 1983). Littler (1987) surveys this debate.

training and expertise, and which shared the service and the ethic of social responsibility of the traditional professions, applied to serving the interests of the owners. Professionalism fostered the unitary view of the firm in which the legitimacy of exercising managerial prerogatives in directing and controlling employees is unquestionable, and the management function is carried out against a framework of consensus which enabled and justified the containment of conflict in the enterprise should it occur (Hill 1981, p. 40).

In the face of union and some management opposition, scientific management was not widely put into practice in the UK (Littler 1982, p. 50; Rose 1988, p. 56) or Australia (Dufty & Fells 1989, p. 51), impacted on countries in different periods (Littler 1982, p. 50), and its effects on management practice were only partial in Australia (Wright 1995, p. 91). It has been argued, however, that the Australian award system was 'overwhelmingly Taylorist' because of narrow job classifications, the freezing of tasks with respect to technology, wages based on jobs rather than set according to skills, and little skills training apart from induction (Curtain & Mathews 1992, p. 436).

The second stream of development of a unitarist ideology, considered in the next sub-section, is rooted in human relations and neo-human relations.

2.4.2   Human Relations and Neo Human Relations

In delineating the characteristics of unitarism generated by the human relations, or 'naturalistic', school of management, Fox focussed on notions of leadership, which could be provided by informal leaders of work groups as well as managers. The problem for the notion of a unitary organisation posed by work groups is that they could establish values and norms of behaviour, which run counter to official organisational interests established by management. If a work organisation is a complex social structure, it is capable of generating goals and norms antithetical to those established by management on behalf of the organisation. Where conflict occurs, the situation is regarded as being symptomatic of organisational dysfunction. Thus a healthy organisation must be unified around one central source of authority. This authority must be accepted by subordinates in order to be effective and is necessary for organisational health. Conflict occurs as an outcome of managerial incompetence in the failure to apply scientific, rational principles to the planning and coordination of work, a failure of leadership, and managers failing, for

example, to provide effective communication between management and employees. Finally, 'enlightened' management, which does not exhibit the failings leading to conflict, renders unions unnecessary except as negotiating bodies in the labour market, but located outside the workplace (Fox 1966a, pp. 368-71).

Human relations and neo-human relations reinterpreted the engineering solutions and economic models of work by applying psychological principles (Kaufman 1993, p. 25). The human relations framework was also seen to focus on the social needs of workers with the argument centred on the view that workers seek satisfaction primarily from membership of stable work-groups (Silverman 1970, p. 75). Neo-human relations advocates took the view that the needs for intrinsic work satisfaction would be achieved through unity of purpose (Deery et al. 1997, p. 1.7), leading to the humanisation of work and employment through job redesign and other techniques (e.g., Hackman & Oldham 1980). Nevertheless, as Hill (1981, pp. 52-3) pointed out, 'humanised' work systems still maintain managerial control and separation of employees from significant decisions concerning the production process.

According to Bendix, Elton Mayo argued, first, that workers acted in solidarity rather than as isolated individuals with the consequence that management should both be concerned with workers' attitudes and feelings and be less concerned with notions of the logic of economic self-interest as the primary motivation of employees. This led to the second focus of human relations management: an emphasis on the motivation of employees based upon the workers' 'social routines' governed by 'human skill'. Third, Mayo reinterpreted managerial authority in terms of fostering cooperative teamwork among employees and providing an organisational environment, which satisfied workers' desire to cooperate (Bendix 1974, pp. 313-19). The human relations models required an emphasis, as well, on trust, loyalty and effort. This had to be achieved within the context of workers and employers both desiring maximum satisfaction and financial return, despite the conflict, which may exist between each party's goals. Good industrial relations, Kaufman (1993, p. 25) went on to explain in elucidating the neo-human relations perspective, is thus dependent upon mutuality through 'a sense of partnership and an environment conducive to cooperation, trust, loyalty, and hard work'.

Employee commitment cements the unity of the organisation. This is one of the tenets of the human relations/neo-human relations school, which constitute unitarism (Fox 1973, p. 186; Deery and Plowman 1991; Fox et al. 1995, p. 41; Deery et al. 1997, pp. 1.5-1.8). The explanation of the meaning of the role of manager provided by the human relations/neo-human relations doctrine rested first on an argument that subordinates lack a logical framework with respect to the workplace; second, any lack of cooperation shields an urge to collaborate; third, wages claims mask a need for personal approval; and, fourth, the role of managers is one of brokering social harmony.

The abstract concepts in the intellectual traditions of unitarism were applied consciously in Australia at some levels. During the mid-1980s, for example, the then Executive Director of the Business Council of Australia, Geoff Allen, claimed that there had been a switch away from scientific management and that the prevailing philosophy of management 'has its roots in both a humanitarian concern for human satisfaction in work, as well as the perceived productivity gains from a contented and motivated workforce' (Allen 1986, p. 344). One implication of this employer advocate's perspective is the suggestion that no real conflict of interest exists between worker and employer (see also Silverman 1970, p. 76). When human relations sociologists did consider conflict it was in terms of the normality of cooperation and consensus and the abnormality of conflict. Human relations provided a model of management in the firm in which managers could perceive themselves as representatives of shared aspirations, backed by a scientifically developed body of professional knowledge and techniques for dealing with 'the human aspects of the managerial control function' (Hill 1981, p. 1).

The technical competence of managers provided the reason for employees to accept managerial authority (Hill 1981, p. 40). There are, however, long-standing criticisms of human relations: that empirical testing of human relations techniques revealed that they often did not have the desired effect on productivity and work satisfaction; that human relations tended to ignore environmental factors; that human relations exhibited a crude management orientation; and that human relations under-estimated the measure of genuine conflict between the satisfaction of individual needs and the organisation's goal of efficiency (Silverman 1970, p. 76).

In summary, the characteristics of the human relations/neo-human relations, or the 'naturalistic' school of management, in Fox's (1966a, pp. 368-9) unitary ideology, focus, first, on leadership provided by both management and by informal leaders of work groups. Second, the problem with work groups is that they could establish values and norms of behaviour, which run counter to official organisational interests. Third, a complex social structure is capable of generating goals and norms antithetical to the official organisation. This situation is symptomatic of organisational dysfunction whereas a healthy organisation must be unified around one central source of authority, which will be effective only if accepted by subordinates. Fourth, conflict is not an intrinsic characteristic of work organisations, but the outcome of managerial incompetence through the failure to apply scientific, rational principles to the planning and coordination of work. It may arise from a failure of leadership and social skills in managers, such as a breakdown in effective communication between management and employees. Fifth, 'enlightened' management renders unions unnecessary except as negotiating bodies in the labour market, located outside the workplace. Sixth, Fox argues that at the root of unitarism there rests 'a profound belief in the personal qualities of leadership, and a disinclination to acknowledge the realities of class and authority divisions in society while in fact introducing them into the very fabric of industrial organization. These beliefs create a disposition to accept the fundamental tenet of both the theoretical orientations that the industrial organization is a unitary structure'. He also argued that the classical and humanist/neo-humanist strands of unitarism are not mutually exclusive patterns of assumptions and might fall into a combination of approaches, since they are both premised on a concept of the organisation as a monolithic structure with a single set of interrelated relationships. Kristensen (1999, pp. 94-5) criticised the unitarist construct as a 'narrow-track model of industrial organization'.

2.5   Characteristics of unitarist ideology

Two concomitant characteristics, which follow from the unitarist construct as developed here, are that there exists a value consensus among organisational members and a harmonious organisation, on the one hand, and the concept that power is neutral, on the other hand. These aspects are considered in the next two sub-sections.

2.5.1 Consensus and Harmony

The principles of value consensus and common interest are elements of an equilibrium perspective on organisation in which organisations are viewed as inherently cooperative systems which require sensitive management to maintain them in states of equilibrium (Burrell & Morgan 1979, p. 148). In the 1930s, Barnard (1968, p. 82) had argued that the conditions for the functioning of organisations are necessarily built upon the elements of communication, willingness to serve and common purpose. In Burrell and Morgan's terms (1979, pp. 148-9), organisations are, therefore, 'cooperative enterprises in pursuit of a common purpose', essentially unitary in nature. However, whether or not workers and management might have some *interests* in common, it is not clear that they have distinctively shared *values* (Provis 1996, p. 480). Provis links a managerial focus on shared values to the achievement of cooperation and commitment for organisational effectiveness:

> The proponents of the new unitarism imply that in general values have wider and deeper effects on people's behaviour than interests alone, and this seems to be a plausible claim…. Because value commitments provide the means for interpersonal and public justifications of actions, they are particularly important for establishing and maintaining organizations (Provis 1996, p. 480).

Whether there is such a 'new unitarism' or merely its resurgence and managers apply established unitarist principles to the management of employees in contemporary work organisations is a tangential issue for this thesis. Organisational effectiveness is shaped by the primary objectives of a private enterprise organisation to make profits and to survive. These objectives are 'supported by powerful social and psychological forces which ensure that a considerable capacity for co-operation is evoked among the members of the organisation created to perform [them]' (Rice 1958, cited in Burrell & Morgan 1979, pp. 155-6). Other open systems models likewise assume that organisations are characterised by 'functional unity', which only fails to work well when certain imperatives are not being met. In other words, the view of organisation as a system united by the pursuit of a common set of objectives (Burrell & Morgan 1979, pp. 156-60; Kast & Rozenzweig 1992) is firmly rooted in structural-functionalist theory (Hyman & Brough 1975; Burrell & Morgan 1979).

'Value-consensus' is the basis of social order within the functionalist paradigm, but functionalism provides no developed account of value-consensus itself, except to reify social relations and social processes or to attribute to the intentions of members of society (or of an organisation) the processes and institutions which generate and sustain value-consensus (Hyman & Brough 1975, pp. 153-4). There are obvious logical implications of the latter attribute: 'if it is the members themselves who constitute the source of such consensus, then is the answer not tautological or entailing an (infinite) regress[ion] that can only be broken by positing harmony of interest among the members concerned' (Oliga 1996, p. 55; see also Hyman & Brough 1975, p. 154). Hyman and Brough (1975, p. 163) argued that there are affinities between unitarism, functionalism and systems theory, each of which have three key characteristics:

> … 1) common values are treated as the *primary* basis of social relations and social order (hence idealist and harmonistic perspectives are integral to its problematic); 2) the unequal distribution of power, deprivations and material advantages is treated as a *derivative* of consensually defined goals; 3) inequality is at the same time treated as *functional*, as ultimately advantageous even for those whose immediate situation is highly disadvantageous (Hyman & Brough 1975, p. 155)

If such assumptions are held about the nature of an organisation, the determined outcomes of the relationships between management and employees and the inherent rightness of inequality of the employment relationship are self-sustaining aspects of a unitarist ideology.

Giles (1989, p. 133), in considering state involvement in industrial relations, agrees that there is a close affinity between the unitary perspective and systems theory. The functionalist perspective also leads to the characteristics of the unitarist view in which emphasis is placed upon the achievement of common objectives which unite the organisation, and in which the members of the organisation strive towards the achievement of those objectives in the manner of a well-integrated team (Burrell & Morgan 1979, p. 204).

The idea of harmony of interests in work organisations reinforces and complements the notion of neutral power (Oliga 1996, p. 58) and control. This is examined in the next section.

2.5.2 Unitarism and power

The term, 'power and control' is used where possible in this sub-section because industrial relations scholars treat the interrelationship of power and control in diverse ways. Storey (1983, p. 10), for example, linked the notion of control to the exercise of power, which is 'in the last analysis a means towards the achievement of surplus value'. By contrast, Marchington (1979, p. 134) defined control as 'the possible end result of a process, which involves the usage of power: in other words, power refers to the process of achieving control'. For Purcell and Smith (1979, p. *ix*), control and power are synonymous. They argued that the term, control, refers to 'the extent and means by which any interested group - management, workers, trade unions or the state - attempts to achieve its objectives in the work environment'. Control, they added, involves not only the promotion of management's (or, indeed, workers') objectives but also power in dealing with the priorities of others. Smith (1979, p. 5) took a similar approach: to exercise control means 'the ability to promote one's own desired objectives, or alternatively the power to resist undesirable ones'. For other industrial relations writers, it is not an issue. Edwards (1979, p. 17), for example, referred to control in the work organisation in terms of managers' strategies 'to obtain desired work behaviour from workers'. But, the achievement of management objectives is dependent upon the relative strength of the parties in the employment relationship. This reflects a dual flow of control processes in which managers' and employees' objectives may coincide in some or all respects, complement each other, be in conflict, or as Salaman (1989, p. 85) concluded, be complex and contradictory. The outcome of the processes of control is thus subject to bargaining and other attempts at influencing outcomes, which are characteristic of industrial relations (Purcell & Smith 1979, p. *ix*). Unitarist managers may resist the modification of processes and objectives, or reluctantly adopt pluralist elements in the management of employees because the concept of managerial power and control is an implicit aspect of managerial prerogative. But, the management of employees might be the means to an end rather than an end in itself.

Corporate strategies, Child (1985, p. 108) points out, 'are not necessarily formulated with the management of labour and structuring of jobs explicitly in mind', since the principal objective of the firm relates to profit (see also Edwards 1986, p. 2; Storey 1983, p. 13;

Oliga 1996, p. 57). Furthermore, increased power and control over labour may be perceived as only one of the ways of securing profits (Streeck 1987, p. 284). Salaman (1989, p. 85) also argues that the workforce, work design, labour costs, and productivity are some of the variables, which relate to an organisation's profit[4]. Hence, power and control in the organisation of work processes will be only subsidiary to management strategies aimed ultimately at the survival of the firm as a viable concern (Rose & Jones 1985, p. 91).

Nonetheless, power and control, which is an interactive process between controller and controlled, is a salient feature of organisational dynamics. It is the 'inescapable interface between managers and their employees', where workers have the potential both directly and indirectly to influence management planning (Storey 1983, p. 83;. 85). In this sense, power and control can be an interactive process or shared in the sense that in exercising control the manager requires some cooperation in the process by the subordinates. Managers may encounter either direct or indirect resistance by workers in exercising power and control. The limits of that resistance may be tempered and constrained by workers' interests in preserving the viability of the organisation in the product or service market (Edwards 1986), leading managers to the imperative to bargain as an integral element of management power and control where the workforce is not entirely acquiescent: thus management may 'regain control by sharing it' (Flanders 1970, p. 172).

Oliga (1996, p. 55) described management's role as 'cybernetic': that is, management within a unitarist perspective may be viewed as guiding the organisation towards the realisation of common goals and interests. Cybernetics is, he stated, 'about *control, which is the profession of management*' (Oliga 1996, p. 56). The exercise of authority, and power and control, is a matter of realising managerial prerogative, which ensures that employees in the organisation perform functions that are in the interests of its survival. Power and control, however, is 'power over other people' (Hyman & Brough 1975, p. 184). In unitarist explanations of the organisation, power is either ignored, or if it does figure it is regarded as 'little more than a neutral resource which oils the wheels of the system as a

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[4]. In the case of non-profit organisations, the principal, non-service objective might translate to maintaining a balanced budget.

whole' (Burrell & Morgan 1979, p. 203). Recognition of power and control creates a logical problem for functionalist and systems theory and for a unitarist ideology: in a system based upon a unitarist consensus, the fact of the centralisation of that power and control in the hands of managers threatens the harmonistic basis of social order in the organisation (Hyman & Brough 1975, p. 184). Those who support that consensus, but who are excluded from the exercise of power and control, might withdraw their consent. In organisations, managers do dominate as the representatives of capital and the 'seemingly necessary managerialist control and domination is legitimated and naturalized'. This is a feature of the capitalist mode of production. As Engels (1969, p. 378) observed in 1873, '… on the one hand, a certain authority, no matter how delegated, and on the other hand, a certain subordination, are things which, independently of all social organisation, are imposed upon us together with the material conditions under which we produce and make products circulate'.

A unitarist perspective applied to management control of, and power over, employees concentrates on what management needs to do in order to accomplish organisational objectives by overseeing employees' work, correcting problems as they occur, and assessing the work of employees. In other words, this organisational approach to the question of power and control focuses upon what management does *to* employees. The following extract from an organisational behaviour text illustrates the unitarist focus on the link between control systems and what managers do in bringing about a convergence of employee objectives with organisational objectives:

> An effective control system ensures that activities are completed in ways that lead to the attainment of the organisation's goals. The criterion of an effective control system is the extent to which it creates goal congruence. If a control system sometimes leads to goal congruence and sometimes to goal conflict, it is ineffective, or less effective than might be desired (Robbins & Mukerji 1990, p. 358).

This view of management and organisation fits unambiguously into the unitarist framework of common interest and the concomitant characteristic that if common interest is not achieved it is an outcome of technical failure by management. However, control is not simply imposed by management 'but emerges from an amalgam of different elements: managers are likely to use a variety of means of controlling the labour process and tying

workers to the firm' (Edwards 1986, p. 41). Cressy and MacInness (1980, cited in Hyman 1987, p. 40) argue that

> even though capital owns (and therefore has the right to 'control') both means of production and the worker, in practice capital must surrender the means of production to the 'control' of the workers for their actual use in the production process .... It is precisely because capital must surrender the use of its means of production to labour that capital must to some degree seek a cooperative relationship with it.

There are two implications for unitarism of this perspective on power and control and the relationship between managers and the managed. The first is that there is a tension between, on the one hand, the focus on managerial control and the characteristics of an organisation, which are integral to that role, such as authority and legitimacy and, on the other hand, managers' reliance on employees to recognise managerial prerogative. Second, power and control are clearly exercised by management for management acting on behalf of employers. As de Vroey (1980, p. 225) argues from a Marxist perspective, the separation of ownership and control through management does not alter relations in the mode of production. In that sense, power and control cannot be considered as neutral attributes of the relationship between employers, managers and employees, but rather as an inextricable aspect of the management process. However, in the unitarist construct the role of power and control in organisational life is not articulated because it forms part of the 'taken for granted assumptions', which underpin the perspectives of unitarist managers (Kirkbride 1985, p. 276).

The concept of ideology, which will be discussed in sections 2.6 and 2.7, has problems if it does not address questions of power and control. Thompson criticised Seliger (1976) and others for the failure to address the connection between ideology and domination, which, he argues, can only be explored through an investigation of the asymmetrical relations of power and the ways in which these arrangements are sustained (Thompson 1984, p. 95). This point has particular significance for the study of management and ideology. Thompson defines power as

> a capacity which *enables* or *empowers* some agents to make decisions, pursue ends or realize interests; it empowers them in such a way that, without this institutionally endowed capacity, they would not have been able to carry out the relevant course (Thompson 1984, p. 129, emphases in original).

Domination occurs when the relations of power are systematically asymmetrical. This takes place when agents, such as managers, are 'institutionally endowed with power in a way which excludes, and to some significant degree remains inaccessible to, other agents or groups of agents, irrespective of the basis upon which such exclusion is carried out'. Under capitalism, this is secured and specified by the capital/wage-labour relation. Thus, 'to study ideology is to study the ways in which meaning (signification) serves to sustain relations of dominance' (Thompson 1984, pp. 130-1). This notion of domination is an extension of the action-related values and beliefs of managers, which are components of the definition of ideology, as will be seen in section 2.6 below.

Management attitudes to the employment contract are particularly relevant. The idea of a contract of employment drawn up between free and equal agents, freely negotiating in a context of both parties seeking to maximise their utilities in a competitive market, serves to legitimate the imbalance of power between employer and employee and management prerogative (Fox 1974a, pp. 182-3; 188). Creighton and Stewart (1990, p. 3) argue that the notion of a voluntary and equitable agreement being entered into by a potential employee and an individual employer is 'largely a legal fiction'. The only significant element of agreement is the initial decision to enter into the relationship of employer and employee (Creighton, Ford & Mitchell 1983). The inequality of power between employer and employee is such that the high probability is that for much of the time the employee feels 'virtually coerced' into 'settling for whatever he could get' (Fox 1974a, p. 182). The master-servant framework of employment underwrote power inequality.

Master-servant law upheld management prerogative and reinforced employees' duty of loyalty and obedience to the employer when they entered into an employment contract (Fox 1974a, pp. 204-5). Within an asymmetrical power relationship, buttressed by contract of employment law, employees are likely to self-censor their overt behaviour rather than to challenge the status quo (Bennett 1995) at the point of settling a contract as well as in the course of an ongoing employment relationship. This is one set of possible employee responses to management ideologies. These are referred to because they illustrate the circular and contradictory aspects of power in the ideology underpinning the manager-employee relationship.

Fox's (1974a) further contribution was to distinguish between low trust and high trust managerial strategies, which has given rise to a literature on management style, briefly outlined in chapter 1, section 1.5, which he further initiated in the development of six point typology of the relations between management and employees.

The next section considers the question of the relevance of Fox's ideal-type to contemporary industrial relations.

2.6   The relevance of Fox's unitarist construct

It is over 45 years since Ross focussed on the unitary construct and almost 40 years since Fox developed the notion of a unitary ideology. Has unitarism therefore become outmoded in the changing contemporary environment? There are two aspects of this question, which will now be critically evaluated. The first relates to the usefulness of unitarism as a framework for managing in organisations. The second refers to the usefulness of the construct in the analysis of the employment relationship.

Both Ross and Fox addressed the first aspect in their seminal papers. Ross called the unitarist framework a 'blind spot in management theory' (Ross 1958, p. 101). Fox concluded that the unitary perspective was diminishingly useful because effective control in a changing, more complex environment required the development of a new ideology and new sources of legitimation (Fox 1973, p. 192). At the end of the 1970s, Burrell and Morgan noted that 'it is now rare to find theoretical perspectives which reflect the unitary view in an extreme sense' (Burrell & Morgan 1979, p 205). In the mid-1980s, Edwards argued that unitarism could not adequately explain the causes of conflict in the workplace. He conceded that some of the managerial characteristics that were accorded to a unitarist framework for the workplace could have some advantages for employees (Edwards 1986, pp. 20-1).

The second aspect relates to the usefulness of the construct in analysing the management-employee relationship. Wright, in his history of the management of labour in Australia, concluded that most employers did view the management of labour from a unitarist perspective.   However, he also observed that employers adopted complex and contradictory strategies, which make the clear-cut categorisation of management behaviour

with respect to unitarism difficult (Wright 1995, pp. 5-6). For Purcell (1987, p. 535-6), Fox's distinction of the unitarist and pluralist frameworks was also too simplistic, failing to take account of the range of managerial behaviours, which are manifest in both unitary and pluralist conceptions of the work organisation. Furthermore, it was unclear to Purcell whether these terms were applied only to managerial beliefs and policies towards trade unions or to other aspects of the employment relationship and he developed a typology of management styles, based on the nexus of individualism and collectivism, designed to take account of a range of managerial approaches to the problematics of managing employees. Fox (1974a) had developed his own six-category typology in the mid-1970s. Poole (1986) built a four-style typology around Fox's dichotomy of unitarism and pluralism. Horstman (1988, pp. 413-16) posited a solution to the critique of unitarism as a one-dimensional category of managerial perspectives and behaviour by utilising Sisson's (1984) managerial styles as a framework for distinguishing between 'imposed unitarism' by which managers coerce reluctant employees into teamwork, and 'self-generated unitarism' where employees are induced to adopt and internalise managerial objectives voluntarily within a system of intrinsic and extrinsic rewards. This distinction points to strategic options for operationalising a unitarist framework.

The problem with any typology of management style – or of managers' behaviour in managing employees generally – is that managers might spend most of their time dealing with employees using whatever process or style that suits their immediate purpose. That is to say, pragmatism or opportunism might be the prevailing *modus operandi* of management (Purcell & Ahlstrand 1987, p. 405). Purcell and Ahlstrand later modified Purcell's earlier typology, employing a 'management style matrix' around the earlier dimensions of management style. They distinguished three dimensions of individualism – employee development, paternalism and cost minimalisation – and three dimensions of collectivism - non-unitarist, adversarial and cooperative behaviour – (Purcell & Ahlstrand 1994, cited in Deery et al. 2001, pp. 191-5). However, it is not clear how this model addresses the problem they raised about the prevalent absence of any consistent strategy in the cases they studied.

Despite the problem for analysis of managerial behaviour and ideology this absence of strategy in managing employees might present, the unitarist construct continues to be applied to accounts of labour management, particularly in Australia and the United Kingdom, especially with respect to strategies and attitudes towards trade unions. Examples can be found such as in the textbook, *The Dynamics of Australian Industrial Relations* (Dufty & Fells 1989, p. 66), and in Wright (1995, p. 5).

Nevertheless, the prevalence of the construct in contemporary industrial relations analysis suggests there is considerable worth in fleshing out the notion of unitarism. Hamberger (1995, pp. 35-6) argued that the majority of Australian industrial relations academics had criticised managers' rejection of collective bargaining and the rationale that employers and employees have more in common than separates them. He described the employment of the unitarist label as 'pejorative'. This is not a view to which this academic would subscribe, although it is relevant to keep in mind the reformist context in which Fox had contrasted radical, pluralist and unitarist frameworks. The growing use in Australia of the term, 'employee relations', even by some mainstream industrial relations academics (for example, Teicher, Holland & Gough 2002), reflects not only the decentralisation of industrial relations, but also in the presence of a 'unitarist value system' (Rimmer 1995, pp. 73-4). Dabscheck described the Business Council of Australia's (BCA) prescriptions for reform of Australian industrial relations as indicative of the unitarist perspective (Dabscheck 1995, pp. 86-7).

In the public debate on Australian industrial relations reform, collective industrial relations was challenged by what Bennett (1994, p. 227) called 'a form of managerial fundamentalism' reflected in the BCA contributions to the debate. This represented an affirmation of management in which not only were unions marginalised or rejected but also there was an insistence on 'unilateral management control and on the identity of interest between employer and employee', unitarism in other words. This might extend, for example, to recruitment practices, weeding out union-oriented applicants for jobs (van den Broek 1997). Given changes to the industrial relations system in Australia and the take-up of human resource management strategies, unitarist approaches to managing employees are more likely (Fisher Dowling & Garnham 1999, p. 511). The widespread unitarist shaping

of employee management is even more likely with the emphasis on individual contracts by the Howard Government policy on industrial relations (Liberal Party 2005).

The proposals to transform a collectively oriented industrial relations system into one characterised by minimally regulated and individualised workplace relations could be seen as a 'unitarist renaissance' in contemporary labour management strategies (van den Broek 1997). This was not always seen as inevitable. Haworth (1987, p. 418), for example, argued that 'scholarship [had] disposed of unitarism as a viable mode of social organisation generations ago'. Nonetheless, he argued optimistically that, while unitarism in the previous two decades had provided management with a framework for regaining ideological and organisational control, it was unlikely to succeed as a prevailing ideology, despite mounting an argument that unitarism had made ground through HRM.

Recent studies reinforce the expansion of unitarism in Australian organisations. Francis (2002), in a single case study, argued that the discourse of HRM focuses on marginalising the role of trade unions and developing a unitary view of the firm through market, team, and single status metaphors. Provis (1996, pp. 474-5) agreed that the rise of HRM had accompanied a resurgence of unitarist approaches to management, accompanied by total quality management, customer focus and changing organisational structures. These, Provis argued, are reflected in a growing emphasis on employee cooperation and commitment associated with an increasing significance placed on enterprise culture and values.

These developments reflect the pervasiveness of unitarism in other countries. In a comparative study of the of industrial relations in Australia and New Zealand, Harbridge and Walsh (2002) found that key characteristics of deregulation in New Zealand resulted in employer bargaining ascendency leading to de-unionisation, de-collectivisation and the individualisation of the employment contract, which would indicate a shift from pluralist to unitarist employment relations. Gunnigle (1992), for example, found a strengthening of unitarism evident through union resistance and a growth of opposition to union recognition in Eire. Industrial relations in British organisations had also been suffused with unitarist principles. In the 1980s, Edwards had argued that the unitarist perspective was widely adopted in United Kingdom (Edwards 1986, p. 20). Purcell and Sisson (1983, p. 117) saw

British developments as representing a shift towards unitarist policies characterised by coercion of employees rather than by cooperation between management and workers. Bacon and Storey (2000) suggested that employer opposition to the British Labour government's reform of the Thatcher government's legislation as well as the findings of the 1998 Workplace Employment Relations Survey indicate that managerial unitarism remains the norm.

Behind the attitudes towards collectivism and trade unions are perspectives on the unity of the organisation that are management focussed and based on what Oliga (1996, p. 54) called the claim of value consensus and common interest. Oliga treated unitarism as a composite of these two elements of ideology.

The application of specific practices that cement corporate unitarism can extend to specific human resources practices. In the recruitment and selection of employees, unitarist principles can be entrenched by establishing an employment relationship characterised by individual accountability and commitment to corporate goals, the elimination of union backgrounds and union experience from the workplace, and enforcing individual non-union contracts on employees (van den Broek 2003, p. 523). Clarke (2003, p. 142) argues that training needs analysis involves a linear process based on rationality, empiricism and legitimate authority that assumes the commonality of interests between employees and the organisation.

There have been several references to ideology throughout the chapter to this point. This is because, for Fox, unitarism *is* an ideology. The purpose of the next section is to place this unitarist ideology in a broader theoretical context.

2.7   Unitarism as ideology

The account in this section is a selective discourse, with the discussion developing around ideology as a set of beliefs and values to which managers subscribe in managing employees and focuses on the unitarist ideology. It is mindful of Sartori's (1987, p. 499) complaint about the substitution of the term, ideology, for terms such as ideas beliefs and values. In this thesis, managers' assumptions, or beliefs and values, as ideology, are joined

to managerial action and behaviour in managing employees. This is discussed in sub-section 2.7.3 below.

While there has been an increasing interest in managers and management in industrial relations research, this literature has generally neglected the ideology of managers, notwithstanding Bendix's 1956 book, *Work and Authority in Industry* (Bendix 1974), Dunlop's 1958 book, *Industrial Relations Systems* (Dunlop 1971), Fox's 1966 essays (Fox 1966a; 1966b), Hyman's 1975 work, *Industrial Relations: A Marxist Introduction* (Hyman 1975), and Kochan et al.'s 1986 book, *The Transformation of American Industrial Relations* (Kochan et al. 1994). Different models of ideology were adopted in these publications, however the debate over ideology throughout the 1980s and 1990s (for example, Hall 1978; Thompson 1984; Boudon 1989; Hawkes 1996) has largely passed by industrial relations scholars. Nichols (1969) and Poole (1975) represented earlier perspectives on ideology and industrial relations. Nichols surveyed British managers and distinguished between the interests of managers and employers. Poole considered the ideological constraints on managers in their contemplation of employee participation and industrial democracy, and concluded that twentieth-century managerial ideology militated against employee participation in decision making at the workplace. He concluded that the principal focus had been on industrial efficiency (Poole 1975, pp. 53-6). Wood (1978, p. 55) also advocated a central place for ideology in industrial relations as a field, a plea which was largely ignored by industrial relations scholars.

The writers in the political economy of industrial relations did not ignore ideology. Discussion of ideology suffuses Hyman's analysis of power in industrial relations (Hyman 1975; 1989). Indeed, a political economy perspective on industrial relations requires attention to ideology as both one of the contexts, and characteristics, of work relations (Taylor & Bray 1986, p. 3). Labour process theory is central to political economy perspectives on the employment relationship. However, even a key exponent of labour process theory, Harry Braverman, discussed Taylor's scientific management only in terms of 'the explicit verbalization of the capitalist mode of production' (Braverman 1974, p. 86). Littler, by contrast, searched for a 'vocabulary of concepts for discussing ideological relationships' and his analysis of Taylorism and human relations is in terms of 'pattern(s)

of ideological control' (Littler 1982, pp. 39; 55), a term, which encompass both values and assumptions about managing employees on the one hand and managerial action on the other. This perspective on ideology adopted in this thesis removes the study from the realms of contingency and related theories. Nevertheless, ideology is a problematic construct.

Problems with the application of ideology in organisational research and industrial relations will be discussed in sub-section 2.7.1 and Dunlop's use of ideology in his industrial relations system theory briefly analysed and rejected 2.7.5 in sub-section 2.7.2. The following sub-section will pick up on the concept of ideology as ideas or values taken together with the action. Ideology is critically considered in its application to managers in sub-section 2.7.4. Section 2.7.5 follows with an account, which brings together the broader concept of ideology with unitarism. Managers and employers do not necessarily have the same interests although it is common to conflate their interests in accounts of the employment relationship. This question is discussed in the ideological context in sub-section 2.7.6. The section concludes with a discussion in sub-section 2.7.7 of ideology and managerial prerogative, which considers the purposes of managerial ideology.

2.7.1 Problems with the application of ideology in analyses of work organisations and industrial relations

Ideology is a term, which has been used loosely in organisational theory (Weiss & Miller 1987, p. 107). It is often used broadly and without clear definition (Godard 1992, p. 239-41; 1997, p. 207). For example, McCann, Hassard, and Morris (2004) use the term, ideology, on 27 occasions in a paper on middle managers and organisational ideology without once defining what they mean by 'organizational ideology'. This can be understood only in the context that the authors subscribe to unitarist assumptions about the nature of work organisations, especially in the assumption that every member of an organisation shares, or ought to share the so-called organisational ideology.

The problem of ascribing ideology goes back to Marx, whose use of the term had a number of meanings attached (Bottomore & Rubel 1963, p. 21) and Marx refined the concept in later writings (McLellan 1986, p. 15). Gurvitch identified thirteen meanings in Marx (1953 cited in Ollman 1971, p. 6) and there have been a number of transformations of the

term both in Marxism and the sociology of knowledge (Berger & Luckman 1971, p. 228). Political theorists utilise a range of meanings (for example, Manning 1980; Hall 1978; Thompson 1984; Boudon 1989; Hawkes 1996), and Seliger (1976, p. 15) argues that ideology is 'invested with a strange variety of meanings'. Some authors in organisational studies use the term 'ideology' when they are referring to aspects of strategy or function, for example in the term, an 'entrepreneurial ideology' (Newman 2000). Others talk of organisations having an ideology (Barker 2000), as we have seen, and Goll and Zeitz (1991) refer to a 'corporate ideology'. Likewise, organisations, including corporations, may be structured according to, and the dynamics influenced by, sets of managerial or policy-maker beliefs and values. However, ideology refers to people who hold to such values and beliefs, rather than organisations.

Muddled perspectives on ideology such as those referred to here sometimes lead to abstruse statements such as 'the interpretation that environments are rapidly changing and the restructuring that underpins that interpretation appear to have acquired the status of an order-creating ideology' (McKinley & Scherer 2000, p. 740). Rather, the restructuring of an organisation and how that is conducted may reflect the managers' values and beliefs, which suggest the scope of that change and how it might be implemented. Restructuring as a process, or even as an outcome, does not have a set of values and beliefs, or an ideology: managers apply those values and beliefs to what they do in organisational change and the shape of that change might reflect the values and beliefs that constitute ideology.

Perhaps the epitome of the misuse of the term, ideology, lies in Thompson and Bunderson's (2003) concoction of the term, 'ideological currency' as if ideology were an object of exchange. They defined their term 'as credible commitments to pursue a valued cause or principle (not limited to self-interest) that are implicitly exchanged at the nexus of the individual-organization relationship', taking the form of 'contributions toward the organization's capacity to pursue the cause', 'perceived organizational obligations to support the cause or principle and, thus, to give employees legitimate claim to participation in the cause'.

Similar examples of misuse can also be found in industrial relations. Adams and McQuillan (2000), for example, refer to the 'ideology of restructuring' and Murakami (2000) and Hyman (2001, cited above, section 2.4) refer to an 'ideology of "deregulation"'. Neither restructuring nor deregulation has an ideology: the initiators of such actions and programmes or policies explicitly or implicitly apply their ideological assumptions to their decision-making.

Where some industrial relations scholars have addressed the values and beliefs of managers, they have avoided the use of the term 'ideology' altogether, and referred, for example, to the originating philosophies and the policies that influence action (Purcell 1987, p. 534). Ideology may be referred to obliquely in terms of doctrine (Rose 1988), or frameworks (Fox 1966a, 1971). Sutcliffe and Kitay (1988, p. 536) were equally oblique when they asked, first, whether Australian small business owners had distinctive beliefs about 'employment relations', and, second, whether such beliefs formed the basis of anti-labour political action.

Ideology was an integral element in Dunlop's attempts at developing a comprehensive theory of an industrial relations system. His conception is critically examined in the next sub-section.

2.7.2 Ideology in Dunlop's Industrial Relations System Theory

In constructing his model of an industrial relations system, Dunlop defined ideology as 'a set of ideas and beliefs commonly held by the actors that helps to bind or to integrate the system together as an entity'. Applying this to the industrial relations system, Dunlop argued that a distinct industrial ideology consists of

> a common body of ideas that defines the role and place of each actor and that defines the ideas which each actor holds towards the place and the function of others in the system. The idea or philosophy of a stable system involves a congruence or compatibility among these views and the rest of the system (Dunlop 1971, pp. 16-17).

While developing this notion of a common ideology, which binds the system together, he acknowledges the possibility of disparate ideologies, which might render the system unstable:

> Thus, in a community in which the managers hold a highly paternalistic view towards workers and the workers hold there is no function for managers, there would be no common ideology in which in which each actor provided a legitimate role for the other (Dunlop 1971, p. 17).

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This raises the fundamental question of whether there is a system at all if the parties do not subscribe to a common ideology and whether a system requires a bonding ideology. The notion of a common ideology is at best problematic, since it is conceivable that one of the actors, or a combination, will seek to destroy another as Dabscheck (1980, p. 199) argued, or attempt to attain the ascendancy on the basis of disparate ideologies. Dunlop attempts to resolve the contradiction between stable and unstable systems by arguing that, first, hierarchies of managers, second, workers when they are organised, and, third, public agencies, tend to rework and reiterate the ideas of intellectuals, publicists and other specialists, and each may therefore develop an explicit ideology (Dunlop 1971, p. 18). But, if the parties develop their own ideologies and those ideas are not common then stability in the system will be at risk. Thus, the concept of a common ideology, which is at the core of Dunlop's industrial system, includes an unresolved contradiction that there is a commonly held set of ideas and values which binds the system, and which is taken as given, but ideologies may not be held in common. Yet, he concludes, 'Each industrial-relations system contains its ideology or shared understandings' (Dunlop 1971, p. 19). This notion of 'shared understandings' appears to be a weaker version of his definition of ideology. A 'shared understanding' may be an agreement to disagree as much as holding a common position on the operation of the system. The Dunlop model of ideology is, therefore, not regarded as satisfactory as an explanation for the values and beliefs managers bring to the management of employees, and his concept of shared understandings is rejected.

In the next sub-section, ideology is discussed in terms of not only the underlying beliefs and values, but also of the action and strategic choices that organisational participants might adopt.

2.7.3 Ideology, action and strategic choice

The linkage between Marx's ideology and some of the subsequent theorists rests in the concept of ideology as a prerequisite for managerial behaviour in the productive relationship[8]. References to attitudes, opinions beliefs and values are to be found in both

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[8] To restrict the notion of 'material production' to manufacturing is to limit the usefulness of an analysis of ideology by ignoring the growth of the service sector and knowledge based industries at the beginning of the new millennium.

Marxist (eg, Poulantzas 1973) and non-Marxist language (eg, Parsons 1951; Friedrich 1963; Plamanatz 1971; Starbuck 1982; Jaensch 1983; Eagleton 1991) when ideology is explicated.

Non-Marxists such as Bell (1960), Friedrich (1963, p. 90) and Friedrich and Brzezinski (1966, p. 88) viewed ideologies as action-related systems of ideas. Seliger (1976, p. 16) referred to ideology as 'action-oriented thought' and Goll and Zeitz (1991, p.191) as 'action-impelling'. Fox (1974, p. 271) himself regarded both unitarism and pluralism as 'frames of reference through which men perceive and define social phenomena, and their perceptions and definitions determine their behaviour' (sic). However, as he pointed out in his original paper, behaviour may conflict with ideology (Fox 1966b, p. 396). Marx would have disagreed: 'Men make their own history', but they cannot do so 'under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past' (Marx 1969a, p. 398).

While action is implicit in the notion of ideology, there is a difference in the Marxist perspective on ideology. Poulantzas (1973, p. 7), for example, referred to ideology as being 'present to such an extent in all the agents' activities that it becomes indistinguishable from their *lived* experience'. This is a qualitatively different perspective on ideology from the assumptions and action perspectives of non-Marxists. Marx had laid this ground in *The German Ideology* by asserting that 'The production of ideas, of conceptions, of consciousness, is at first directly interwoven with the material activity and the material intercourse of men, the language of real life' (Marx 1969b, pp. 24-5). This link between beliefs and values and action has had a variety of Marxist interpretations in the notion of praxis. Lefebvre (1968, p. 34), for example, noted that ideologies mediate between what people do and their consciousness/language, but that praxis 'involves differences, levels, polarizations, contradictions'. The radical Brazilian pedagogue, Paolo Freire (1972, p. 91) defined praxis, 'which, as the reflection and action which truly transform reality, is the source of knowledge and creation'.

Another approach to the linkage of action with values and beliefs in ideology is taken in the concept of strategic choice. In this framework, the problematics identified by managers, the solutions they canvass, and the strategies they put in place are couched in,

and limited by, the terms of the sets of values, assumptions and ideas which constitute their framework (Godard 1997). Ideology is therefore central to explaining the choices, which managers consider and enact, rather than merely being the rational basis for strategy suggested in some of the literature (Kochan et al. 1994, pp. 12-13; Godard 1997, pp. 206-7). Child argued that the incorporation of strategic choice in a theory of organisation involved the recognition of an essentially political process in which ideological values would be applied by managers in dealing with the constraints and opportunities within which organisations operated (Child 1972, p. 16). The concept of strategic choice was developed in response to environmental determinism in which 'the contextual factors determine structural variables because of certain, primarily economic, constraints the former are assumed to impose' (Child 1972, p. 2). Whittington (1988, p. 533) noted, however, that the contextual variables provide a pre-condition for the exercise of choice and inform the content of the choice made. Gospel likewise argued that, in a market economy, the nature of the markets will play a large part in shaping labour decisions and constraining choices. He contended that the structure of the firm also mediates the environmental effects, both constraining and facilitating strategic choice in employee management and choice of structure. Furthermore, he argued, that if the nature of the managerial hierarchy constitutes an important variable influencing labour management decisions, so too does the technology employed. The range of choices available to managers, however, is not limitless (Gospel 1992, pp. 6-8).

According to Kochan et al. (1984, pp 21-2), strategic choices can be made only where the environmental constraints do not prevent the parties from choosing between alternatives. If the finite diversity of choices explicit in Gospel's final proposition is accepted, then the notion of a unitary organisation moving as if all its members were working in the same direction will always be problematic (Thurley & Wood 1983, p. 3). Likewise, defining management strategy as 'homogenous, uniform, accurately reflecting external conditions, the necessary courses of actions and the means of achieving them' is a 'profoundly naive' view about management rationality (Salaman 1989, p. 83). Streeck (1987, p. 281) questioned whether the shift to management of the initiative in industrial relations in fact involves the implied element of strategic freedom of choice at all. The 'imperatives of

profitability and the need to keep control over the labour force' may both constrain and guide strategic choice.

Strategic choice theory in industrial relations has been reviewed by a number of industrial relations scholars (Anderson 1989; Gardner 1989; Lawler 1990; Gardner & Palmer 1992; Gahan 1992). The central elements of this strategic choice concept as applied to industrial relations, are, firstly, that strategy is a matter of choice by management or unions between one course of action or another (tactics). Secondly, the choice of tactics is targeted at control over processes and outcomes of the management's interrelationship with unions and its employees. Thirdly, there will be an interaction between industrial relations strategies. There is a consensus among some industrial relations scholars, as we have seen in section 2.2, that management has seized the initiative in industrial relations following the economic crises of the 1980s. But there is debate as to whether a transformation of industrial relations has occurred. For example, Strauss (1984, p. 2) and Chelius) and Dworkin (1990, pp. 3-4) disagree. Management initiative must be also recognised as being subject to the strategies of unions and workers. Union strategies might frustrate management's attempts to modify contextual effects on the operation of the organisation (Streeck 1987). Thus, managers' behaviour in managing employees might not reflect their ideology because of constraints, which impact on managerial domination of the workplace.

Thus, in the context of intense competition during a time of sustained economic, legal, technological and product market changes, ideological considerations and the predilections of key individuals within the firm could be significant in motivating, say, anti-union tactics. Likewise, government policy on industrial relations might encourage managers to abandon collective elements in their managerial practices. Industrial relations strategy, business or marketing strategy, and financial management strategies might be equal but separate domains of the organisation's focus, integrated to facilitate the implementation of 'first level strategies', that is, corporate or business unit strategies (Anderson 1989). Gospel (1983b) likewise distinguished between choice of strategy and structure at the firm level and choice of strategy and structure at the labour management level. Around the same period, Kochan et al. (1984) and Kochan et al. (1994) distinguished between three tiers of industrial relations strategy: long-term strategy at the corporate level; the functional

processes of collective bargaining or personnel policy-making; and the day-to-day playing out of policies at the workplace.

Some organisational theorists treat the organisation as actor, arguing, for example, that the interdependence and interactions between strategic choice and environmental determinism define organisational adaptation, that is 'change that obtains as a result of aligning organizational capabilities with environmental contingencies' (Hrebiniak & Joyce 1985, p. 337; Lawless & Finch 1989). Problems with ascribing ideology to organisations are discussed above in sub-section 2.7.1. Such studies fail to address the dynamics of the roles of managers and employees in the decision-making process, in particular, the values and beliefs subscribed to, or taken for granted by, managers who might determine what choices they might perceive and whether or not action taken is consistent with such perspectives.

Outside the Marxist tradition, Therborn (1980, p. vii) took another tack entirely by defining ideology broadly, in terms of social processes. Sartori (1987, p. 500) spoke of ideology in terms of the 'conversion of ideas into social levers'. Beyer (1981, p. 166) regarded ideologies as 'relatively coherent sets of beliefs that bind some people together and that explain their worlds in terms of cause-and-effect relations'. Ideology, however, is not necessarily a systematic compilation of ideas about the world as industrial relations writers have noted (see sub-section 2.7.4, below).

In general terms ideologies perform three functions: that of simplifying the adherent's view of the world; generating demands for change (when out of power) and resisting change to social order (when in power); and attempting to justify both action taken in conformity with the world view and the world view itself (Ingersoll & Matthews 1991, p. 7). In Berger and Luckman's terms

> The distinctiveness of ideology is rather that the *same* overall universe is interpreted in different ways, depending upon concrete vested interests within the society in question.
>
> Frequently an ideology is taken on by a group because of specific theoretical elements that are conducive to its interests (Berger & Luckman 1971, p. 141, emphasis in original)

While Berger and Luckman referred to ideology in terms of a 'particular definition of reality' becoming 'attached to a concrete power interest', Abravenal (1983, p. 274) observed that an ideology comes to be attached to a group or an organisation. Abravenal

argued that this attachment is not to individuals, who might exhibit a common ideology only because they belong to the managerial group, but the attachment is to the group or organisation. This argument is familiar in organisational theory, as we have seen above, and reflects the problematic attachment of ideology to organisations rather than their managers.

Ideology, according to Seliger, may be multi-dimensional, consisting of a dimension of 'fundamental principles' and an 'operative ideology'. In the first dimension, 'fundamental' ideology determines 'the final goals and the grand vistas in which they will be realized'. The second dimension - an operative ideology - relates to 'the principles, which actually underlie policies and are invoked to justify them'. These dimensions operate with an interacting tension that generates conflict between the principles in the fundamental dimension and the process of devising and justifying the policies which have been executed or recommended, regardless of whether or not they deviate from the fundamentals (Seliger 1976, p. 109). It would seem to follow from this perspective that managerial ideology would refer to an operative rather than a fundamental ideology since the latter might relate to managerial strategies rather than the ideologies which lead managers to adopt them.

If ideology is action-related and constitutes a process of defining reality attached to the concrete power interest of managers and owners, it also has implications for organisational structure, in terms of work design, the structure of control and the employment relationship (Littler 1982, p. 49). Ideology, therefore, is more than a mere framework for analytic and descriptive statements, on the one hand, and moral and technical prescriptions, on the other. Ideology provides its adherents with the goals, motivations, prescriptions and imperatives with which to guide their action (Eagleton 1991, pp. 45, 47) and the form that managerial behaviour adopts.

The focus of this thesis is on the ideology of managers and it does not explore the diverse tracks on ideology beyond these references relating to organisation and ideology such as Alvesson (1991) and Weiss & Miller (1987).

2.7.4 Management and ideology

The application of the concept of ideology to management moves from a basic assumption that 'the practices and discourses that comprise organizations are never politically neutral' where 'top management is routinely privileged in decision-making and agenda-setting and in defining and shaping human needs and social reality' (Alvesson & Willmott 1992, p. 12). Nor are they value-free (Merkle 1980, p. 279), an oxymoron for, as Bendix (1956, p. 2) argued, the function of management, or managerial, ideology is to explain and justify managerial authority in enterprises and, according to Weiss and Miller (1987, p. 493), to reinforce the manager's position in the social (and political) structure of the organisation. Individuals and collectives, Godard (1992, p. 239) argues, draw upon ideology 'in order to assess the functioning and legitimacy of established institutional arrangements and the desirability of institutional reforms'. Those taken-for-granted values and beliefs, brought to bear in building group cohesion and identity or in strengthening the social base of managers in other ways (Alvesson 1991, p. 212), are applied to the running of an organisation and the management of its employees. In other words, managerial ideology consists of the assumptions - which are constituted by the beliefs and values of the subject - adopted by managers in their management of employees.

It was suggested in section 2.7 above, introducing this discussion, that ideology involved more than the assumptions underpinned by values and beliefs. Managerial ideology provides 'the frame of reference for organizational action' (Goll & Zeitz 1991, pp. 191-2), relates to the stability of organisations, and managers' role *ipso facto* is to maintain that stability and order. Thus managerial ideologies are centrally about power and control in shaping the power relationships and processes, which constitute a work organisation, in such a way that these power relationships are maintained in the form desired by those who exercise power and control in the organisation and the employers. As such, managerial ideology is not a managerial tool of analysis in forming relationships and establishing processes but, rather, generates a body of normative precepts for the running of an organisation. According to Goll and Zeitz, its action-impelling quality provides legitimation, shapes strategic choices and determines organisational practices. While the exercise of power and control is neither value free nor neutral, it may not necessarily be the subject of reflection on the side of managers in exercising their prerogative.

The scope of managerial ideology is reflected in what Whittington (1989, p. 105) calls 'local ideologies', that is 'beliefs concerning the organization and its relation to its environment that both embody the objectives held by dominant actors and serve to secure the compliance of other actors important to achieving them'. However, these might extend to broader perspectives as some human resource management writers suggest. Schuler, Dowling, Smart and Huber (1992, p. 16), for example, argue that the scope of HRM extends to altruistic social objectives where HRM should also benefit society generally (see also sub-section 2.7.7 below).

There is some difficulty in ascertaining any details of managers' ideology in work organisations. Ideological frameworks are not rigid and may not necessarily take the form of a consistent and related body of ideas and values. Ideologies might change across time so that there are patterns of alternating managerial ideologies (Evans 1999, p. 326) and contradictions between ideologies variously described as competing values, dilemmas, dialectics, and dualities (Evans 1999, p. 328). Thus, Fox reflected, an ideology may constitute 'a ragbag of assorted notions' rather than a 'consistent and related body of ideas' (Fox 1971, pp. 124-5), or, as Nichols (1969, p. 219) put it, lack 'self-contained and internally consistent idea systems'. Mere expediency in management's rationale for how employees are managed might disguise an unsystematic set of values and beliefs (Anthony 1977, p. 73), or managers might merely be pragmatic in adopting any strategy (Dunlop 1971, p. 18). It might be, where there appear to be ideological inconsistencies, that there exists no common rationale for managerial behaviour in dealing with either means or ends at all. Furthermore, the management of employees is merely one of a number of other managerial functions, which form a complex set of issues of which a manager needs to take account when making decisions. The ideological underpinnings of decisions affecting managerial behaviour towards employees might, then, be difficult to identify. Mannheim (1936, p. 65) raises the possibility that pragmatism is an ideology in itself. Or, to add to Mannheim's point, inconsistency may be a characteristic of a pragmatic ideology, or a 'fragmented consciousness' (Habermas 1987 in Oliga 1996, p. 263; Larrain 1994, p. 129). Ideology can also undergo a 'constant process of formulation and reformulation' (Bendix 1974, p. *xii*) especially in an environment where culture change programmes attempt to reconstruct organisational meaning and reconstitute employee identities (Keenoy et al.

1997, p. 147), although attempts at changing organisational culture will of themselves be underpinned by ideological norms.

Managers might never develop a coherent ideology because their objective is not the development of a 'philosophy' of management but to address power and control in the maintenance of organisational stability (a pre-eminently ideological task) particularly within the context of a hostile external environment. Peters and Waterman (1982, pp. 280-1; 288), however, advocated the achievement of excellence through assumed 'shared values' of 'basic beliefs, overriding values'. They saw successful leadership in terms of an 'obvious, sincere, sustained personal commitment to the values the leaders sought to implant, coupled with extraordinary persistence in reinforcing those values', relating organisational performance to the development of 'a well-defined set of guiding beliefs'. Drucker (1961, p. 133) likewise advocated 'a principle of management that will give full scope to individual strength and responsibility, and at the same time give common direction of vision and effort, establish team work and harmonize the goals of the individual with the common weal'. These are mainstream examples of unitarist ideology.

Whittington (1989) observed that managerial ideology 'is an instrument of control, not of consensus'. This reflects the implications of Peters and Waterman's language of implanted values. However, within an organisation, there may be limits to the imposition of an ideological framework precisely because the unitary framework critically fails to recognise the diversity of value, beliefs and interests of the individuals within the organisation. Whittington (1989, p. 107) argued that any managerial ideology will rarely be hegemonic and there will always be occasion for contest of managerial legitimacy and dissent from managerial directions. However, if managers' approaches to managing employees consistently prevail, little modified by employees' strategic resistance, one would have to consider managerial ideology as hegemonic[9].

Rose and Jones (1985, p. 99) argue that the execution of practice arising from managerial ideology can also be 'piecemeal, uncoordinated and empiricist'. Managers can see no inconsistency 'in simultaneously promoting teamwork, delayering, commitment,

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[9] See discussion on hegemony in section 2.7.5 below.

flexibility, loyalty, individualism, greed, empowerment and surveillance' (Keenoy et al. 1997, p. 147). Such inconsistencies might be conditioned by managers' ambiguous position within the prevailing structure of power relations in work organisations in relation to the processes of strategic decision-making, which are developed to deal with changes in product markets, labour markets, technology and other societal factors (Knights & Wilmott 1986, p. 9). It may well be that inconsistency in strategy occurs where there are inconsistencies in ideological attachments. Hyman (1987, p. 30) suggests that the lack of internal coherence in managerial ideology may be inherent in the labour process of management. Others argue that the assumption that management is a labour process obscures the contradictions of managerial work and the class connotations of management, where the social relationships within the management hierarchy define management processes. Management as a set of actions furthers the aims of more senior managers and, ultimately, the owners (Armstrong 1989, p. 308; 311).

Ideology is an unexplored, but implicit, factor in writings on management style. Purcell (1987 p. 538), for example, identified two key dimensions of management style: individualism and collectivism, which are alternative ideologies of managing employees. The latter may refer on the one hand to union recognition and collective bargaining and, on the other, to industrial democracy. McDonald and Wiesner (2000) have developed a management style construct around the inclusion or exclusion of employees from management decision-making by considering both the range of issues on which managers consult employees and the degree to which they involve them in decision-making. Ideology is implicit in these different approaches to management style. Are such management 'styles' the product of 'conscious' approaches to industrial relations? There certainly is an inference of management motives behind their deliberate cultivation (Miller 1987, p. 356). However, on the one hand, it does not necessarily follow that actions taken in the management of employees are adopted as an outcome of managers' reflection on those values and assumptions. On the other hand, motives are tied to fundamental questions regarding the values and beliefs held by managers.

There may be a variety of strategic choices to be made, but the objectives which various managers adopt, the options they perceive as available for dealing with employees or trade

unions, and the manner in which they may deal with them reflect a range of available ideologies. Among these is the unitarist ideology, which is the subject of the next sub-section.

2.7.5 Ideology and unitarism

In Marx's class analysis the ideas imbued in the relations of production are linked to the interests of the ruling class and take on a universal application, where an ideology is expressed as the common interest of all the members of society, and is represented as the only rational, universally valid one (Marx 1969b, pp. 47-8). Some Marxists have applied this universality to the dominance of a social group in social, cultural and other values in terms of hegemony. Hegemony refers to the ideological pre-eminence of a class whose 'interests and consciousness enable it to organise the whole of society in accordance with those interests' (Lukács 1971, p 52), and has a converse element: the consent of the population in response to the dominant group which holds its power because of its position and function in the world of production (Gramsci 1971, p. 12). That consent can be traced to material domination by the economically powerful (Hyman 1975, p. 128). According to Marx (1969b, p. 47), the 'ideal expression of the dominant material relationships' belongs to 'the class which has the means of material production at its disposal'. Managers play a key role in the control of material production within organisations, whether that is of goods or services, which is why the notion of ideology is important for Fox and in this thesis.

Marx's definition of ideology in *The German Ideology* encompasses normative perspectives which, when propagated in work organisations, support the interests of employers and, by implication, managers acting as their agents. Ideology thus may be used as 'weapons for social interests' (Berger & Luckman 1971, p. 18). Engels linked the Marxist analysis of ideology as a feature of class to notions of 'false consciousness'. He asserted that ideology 'is a process accomplished by the so-called thinker consciously, it is true, but with a false consciousness'. The consciousness is false because the individual 'works with mere thought material, which he accepts without examination as the product of thought, and does not investigate further for a more remote source independent of thought' (Engels 1970, p. 496). Fox does not refer to managerial or unitarist ideology as a case of false consciousness, but he does assert that it is 'incongruent with reality and

useless for purposes of analysis' by managers. It is rational only in terms of its purposes: to reassure managers, as an instrument of persuasion, and as a legitimation of authority (Fox 1966a, pp. 371-2).

For Lukács, ideology does not necessarily involve the deliberative application of a value system. Relating consciousness to society as a whole, Lukács (1971, p. 51) imbues it with an element which transcends the individual and which is derived from relations in the process of production. He argued that class consciousness and false consciousness are not the same as ideology, although elsewhere McLellan (1986, pp. 26, 28) suggests that Lukács does appear to equate consciousness with ideology. Mannheim regarded 'class ideology' as a more accurate term than class consciousness. Class ideology for Mannheim is

> on the one hand, … a synthesizing and integrating process through which the concept of consciousness comes to furnish a unitary centre in an infinitely variable world; on the other, there is a constant attempt to make more pliable and flexible the unitary conception which has been too rigidly and too schematically formulated in the course of the synthesizing process (Mannheim 1936, p. 60).

The unitary conception has universal application, and Mannheim refers to the Hegelian assumption that the world is a unity, albeit in the process of a continual historical transformation, whereas Fox's unitarism specifically applies to managers in work organisations. Indeed, according to Mannheim, ideology varies in accordance with history, national characteristics, and social classes. This raises the issue that at any one time there may be a number of ideologies within an organisation, which underpin the social relations of work (Mannheim 1936, p. 59; 61).

In the context of attempting to avoid a normative response to the pejorative connotations of ideology (see, for example, McLellan 1986, p. 8), Mannheim rejected notions of distortion and falsification in ideology. He replaced the term 'ideology' with 'perspective', by which he meant 'the subject's whole mode of conceiving things as determined by his historical

and social setting' (sic), which arises 'out of the collective purposes of a group which underlie the thought of the individual' (Mannheim 1936, pp. 239, 240-1)[10].

The boundary of the research reported in this thesis is determined by its focus upon managerial beliefs and values, that is their assumptions about managing employees, insofar as managers might or might not adopt a unitarist perspective on their roles. The notion of ideology as distortion and falsification is not the aspect of ideology that is central to this thesis. The exclusion from the analysis in this thesis of both distortion and falsification, on the one hand and also the universal class characteristic elucidated by Marx in *The German Ideology*, on the other hand, represent neither a rejection of Marxist analysis of ideology nor an adoption of Mannheim's position. It is intended that the discussion will avoid entanglement in the problematics of class or a theory of class in organisations, notwithstanding that the ownership and control of productive resources (this control is also exercised by managers) can be taken as the starting point of class analysis (Connell 1977, p. 39). Connell argued that it might be difficult to formulate the concept of a dominant ideology, which serves the interests of the powerful through social control structures, or to apply the notion to management (1977, p. 14).

The task in this thesis, however, is concerned with what values and beliefs emerge in an ideology belonging to SME managers. Fox's use of ideology is non-Marxist. Fundamentally, the research focus in this thesis is on what constitutes the unitarist ideology, and whether a unitarist catalogue of ideas, beliefs and values derived from Fox's account can be established through empirical investigation. However, the discussion does serve to focus on the beliefs and values of managers in SMEs, which are inherently the subject of Marxist discourse on ideology. Poulantzas (1973, p. 206), for example, defined ideology in terms of 'a relatively coherent ensemble of representations, values and beliefs', which includes, among other characteristics, 'their relations to society, to other men and to their own economic and political activity' (sic).

One of the elements of Fox's unitary 'frame of reference', whether subscribed to by either employers or managers, emphasises an essentially harmonious world-view. In Marxist

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[10] The term, perspective, has been used as a synonym for beliefs and values elsewhere in this chapter, but this does not represent any adherence to Mannheim.

terms such a perspective might accrue to 'the owners of money, the means of production, means of subsistence, who are eager to increase the sum of values they possess, by buying other people's labour-power' (Marx 1969b, p. 101) with the purpose of harnessing such labour power in the production of surplus value. Although Fox's frame of reference might be adopted by managers who identify with their employers' interests, the role of managerial control within the organisation and the structures and means by which control is achieved are socially produced and their continued existence is conditional upon managers continuing to reproduce them.

An investigation of the values and beliefs of managers draws attention not only to the place of ideology and how managers view their role in managing employees, but also to those on behalf of whom managers perform those functions. For Marx in *The German Ideology*, this is about the 'ideas of the ruling class [which] are in every epoch the ruling ideas: i.e., the class which is the ruling material force of society is at the same time its ruling intellectual force'. These 'ruling ideas are nothing more than the ideal expression of the dominant material relationships, the dominant material relationships grasped as ideas' (Marx 1969b, p. 47). For Poulantzas (1973), managers are the bearers of these 'relations of possession' in representing the owners of a business.

Ideology arises from the detachment of ideas from individuals and world conditions, which are the source of those ideas according to Marx (1969b, p. 48). This detachment leads to a broad conception of ideology as 'a system (with its own logic and rigour) of representations (images, myths, ideas or concepts, depending on the case) endowed with a historical existence and role within a given society' (Althusser 1969, p. 231). Definitions are possible around a nexus of the rationality or irrationality of ideology and explanations for ideology based on criteria of truth or falsehood. These factors can be found in various combinations among ideology theorists (Boudon 1989, p. 53).

Since managers in SMEs are either the owners of the work organisation or agents of employers, they are clearly associated with control over the means of production. Fox's unitarist ideology serves three purposes in this managerial context: first, as a defensive reassurance against managerial failure and frustration; second, as an instrument of

persuasion of employees; and, third, as a legitimation of management through the propagation of the idea that the interests of management and managed are identical (Fox 1966a, pp. 372-3). The role of ideology in management also constitutes 'a resource in the struggle for power' (Fox 1971, p. 124). It therefore contributes to the establishment of legitimacy in the exercise of management (Fox 1971, p. 124), a point taken up by some other industrial relations scholars (for example, Storey 1983, p. 101) and, as Hill (1981, p. 21) observed, managerial ideology supplements the authority contained in the employment contract. Thus, the normative dimension of unitarist managerial ideology justifies managerial behaviour, is designed to evoke the loyalty and commitment of all participants in the organisation, and serves as a support for those norms and values, which are congruous with the goals of management and the organisation. These characteristics of managers' beliefs and values, furthermore, provide the basis for a unitary conception of the organisation (Fox 1971, p. 126), which, Bendix (1974, p. 199) observed, is closely related to the economic interests of the employer, defining and advancing the core interests of managers and employers.

According to Bendix (1974, p. 13), it is the basic social relation between employers who exercise authority and the workers who follow managers' directions, which forms the context of the beliefs and values of managers within work organisations. Since a managerial ideology focuses on the role of the manager, it represents a common effort to interpret the exercise of authority in a favourable light. It sets out to 'interpret the facts of authority and obedience so as to neutralize or eliminate the conflict between the few and the many in the interest of a more effective exercise of authority', or 'to support those in control in a given system', justifying their membership of a group with power. From the observer's perspective, managers' ideology explains their activities (Anthony 1977, p. 2).

The worth of the unitary ideology to managers and owners is that, by virtue of ownership and management, the employer and the manager can always lay claim to a moral superiority, which legitimises the imperative of management prerogative. Management prerogative is established in a unified authority and loyalty structure in the organisation. This is underwritten by the emphasis upon the common values and objectives, which are said to bind all the participants in the organisation and which inspire the use of 'family' or

'team' metaphors. Any challenge to the exercise of management or attempt to change the structure is therefore regarded as irrational, dysfunctional and an aberration in the work organisation, 'due to failure to understand a situation, a breakdown in communications and/or a deliberate invention of agitators, trouble-makers, subversives, etc. Conflict can and must be eliminated and the "team spirit" will prevail' (Ford & Hearn 1987, p. 6). Such an orientation provides justification for the use of coercion against malcontents, especially in times of special stress, crisis, or emergency. At the same time the 'patience-straining process of "winning consent" through consultation may appear not only burdensome in practice but even pusillanimous in principle' (Fox 1973, pp. 186-7). Some managers might therefore abandon any attempt at winning over employees, instead adopting a unilateral and exclusionist management style.

Weakness in managerial performance perceived by the employer might be seen to undermine managerial legitimacy and reflect negatively on the performance of managers in the eyes of the employer. This suggests that managers and employers are not necessarily of a single mind and purpose. This issue is discussed in the next sub-section.

2.7.6   Managers and employers

The application of ideological analysis to managers' assumptions and values, based on 'the dominant material relationships grasped as ideas', is problematic insofar as the interests of managers and employers do not necessarily coincide (Nichols 1969, pp. 31-6). The separation of ownership and management is a feature of modern organisation (Callus et al. 1991; Dufty and Fells 1989; Salamon 1987). In addition, Callus et al. (1991, p. 75) observe that 'the patterns of decision-making on workplace issues are inherently more complex when owners are not present at the workplace'. It cannot be assumed that all employers regard their own interests and the beliefs and values, which underpin them, as being held in common (for example, between employers in large corporations and a small family business), let alone the interests of managers and employers. This finds current expression in the accountability for performance demanded of senior executives by shareholders. The divide between small and large businesses is also frequently expressed in public policy debate. Thus, employers, especially those in small or medium sized

enterprises, would not necessarily be attached to any ruling class. In any case, a dominant class may not have homogenous interests (Eagleton 1991, p. 45).

Armstrong argues that the '*real* question of management' concerns the contradictions and tensions within an agency relationship between employer and manager. In his view, an agency relationship exists in which a principal engages someone to take decisions on behalf of the organisation. This is a defining relationship from ownership to the lowest levels of management (Armstrong 1989, p. 312, emphasis in original). Bendix takes a different view. In his account of ideology, Bendix equates management and employers[11], arguing that every 'class is more or less heterogeneous in its social composition' and that in the case of employers, ideology provides organisational cohesion in a hostile environment (Bendix 1974, p. 199). Nevertheless, he affirms, ideologies are 'reiterated endlessly and are essentially ambiguous', changing and spreading, and there is considerable ideological diversity among managers (Bendix 1974, p. 342). Thus, as Fletcher (1973, p. 143) argues, it would be erroneous to treat management as a unified group: each manager, who is not also an owner, might be both dominated by higher levels of managers, such as the CEO, as well as being dominant over subordinate employees. The role of managers of the same functional type may also differ between organisations. Human resource managers, for example, may have a number of contradictory functions in serving the ends of coercing and manipulating labour, on the one hand, and of developing 'welfare' functions to achieve the same ends, on the other. Where HRM practices have a manipulative character in one organisation, the different social context in another might bring about a different form of human resource management (Hyman 1989, p.23).

While managers and employers may have diverse interests between them, management as a collection of employees is 'structurally dependent' on employers rather than inclined to any collaboration with the workers. Within organisations, managers' ideology, imbued with notions of professional autonomy or managerial prerogative, 'will always be deployed against developments which may lead towards more egalitarian relations in production' (Clegg, Boreham & Dow 1986, p. 169). This again implies a normative dimension in

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[11] Elsewhere in *Work and Authority in Industry*, Bendix (1974, p. 228) distinguishes between entrepreneurs and bureaucrats: 'At the climax of their careers entrepreneurs are substantial owners of a firm, while bureaucrats are typically salaried executives'.

management control (Hill 1981, pp. 16-17). Clearly such tendencies do not mean that employee participation, for example, will be excluded from organisations of necessity. However, where management autonomy and prerogative are a predominant focus, participative aspects of organisation will operate primarily as control mechanisms governing the behaviour of workers. Broadly speaking, the presence within organisations of a management group and a management structure rests upon ideological presuppositions about control of the work process, regardless of the degree to which employees participate in, or are excluded from, decision-making.

Fox's view of the 'unitary conception' was one of an ideology 'which seeks to legitimize the traditional assertion of an employer prerogative and leadership unqualified by any organized employee challenge' (Fox 1971, p. 272; 1973). At the same time, the unitarist ideology is historically rooted in the master-servant tradition within which the employer alone determined the ends and the means of the organisation and the employee's unqualified loyalty and obedience legitimised the manager's role (Fox 1974a, pp. 204-5). According to Fox (1973, p. 191), this link with the master-servant act is associated with a conservative social and political philosophy.

Managerial prerogative, which is enshrined in master-servant common law, is the primary element of unitarism from which all other values and beliefs (on conflict, collective workplace arrangements and trade unions) follow. This is why managerial prerogative is considered in the context of ideology separately in the following sub-section.

2.7.7 Ideology and managerial prerogative

Managerial prerogative and legitimacy are interlinked in notions of control. Control, or dominance, is sustained, according to Thompson (1984), in three ways. In the first, the managers' dominance in the employment relationship is represented as a legitimate condition of work organisations.

Second, dissimulation features in those relationships in which the interests of some are served at the expense of others and, intentionally or otherwise, this is concealed (Thompson 1984, p. 131). An example of this was the strategy, hidden from middle managers, of individualising work relations at Comalco (McDonald & Timo 1996). Others

conclude that the extent of the ideological nature of the management process is thus 'frequently mystified, disguised and denied' (Clegg, Boreham & Dow 1986, p. 237). This raises further questions including a possible explanation for the acquiescence of the dominated in their subordination: that their acquiescence is borne of ignorance of the hidden interests of the dominating class or group. This explanation is, however, inadequate to explain why characteristically, as Hyman (1975, p. 197) put it, 'Management commands, employees obey' and employees usually exercise what amounts to self-control (Thompson 1983 in Dufty & Fells 1989, p. 32; Bennett 1995). Graham (1980, pp. 17-20), in questioning the use of ideology, argues that even if the interests of one particular class were expressed in a form which disguised the advantage to owners or the most senior managers from the 'victim of ideology' (in this case, the workers) the dominated may act rationally for a range of reasons including prudence or acceptance of a view of what is right and proper to do. If these are the motivations for acceptance of management direction then they in turn will be based upon a set of ideological values and beliefs. The foundation of workers' consent or acceptance of management's legitimacy therefore may be as much pragmatic as normative (Hyman & Brough 1975, p. 234), or prudential and moralistic (Graham 1980). The question of whether workers adhere to a separate ideology or are caught up in a hegemonic response to the power structure, where much of managerial ideology is a key component of the socially dominant ideology might also be shared by the workforce (Armstrong et al. 1981, p. 56), lies beyond the scope of this thesis.

A third way in which ideology operates is by means of reification in which relations are presented as immutable and natural (Thompson 1984, p. 131), and the only rational course which employees might perceive is to accede to the authority and directions of management, in other words, to submit to managerial prerogative. At an ideological level, managerial prerogative will be central to managers' role perceptions. At an operational level, the power relations between employees or unions might result in managers compromising on the scope of managerial prerogative. The process of management is rooted in an interactive relationship with employees and the right of managers to manage can be, at the very least, modified by the response of the managed to actions from those in the organisation who have authority from ownership to take decisions. Furthermore, managerial prerogative might be limited by legislation and the decisions of the courts.

Anthony distinguishes between the ideologies of managers and ideologies of work, which, he argues, are inter-dependent. With Fox and Bendix, he identifies managerial ideology as expressing a requirement 'to defend or disguise the authority of those in whose interest work is controlled'. Managerial ideology, he argues, is complemented by an 'ideology of work', which is primarily directed at upholding subordination and influencing the beliefs and behaviour of subordinates (Anthony 1977, p. 3). Here Anthony appears to be attributing ideology to work – which we might consider to be what employees 'do' in the production of goods or services – whereas ideology in this discussion has been attributed to employees and managers and their activities within the organisation. The ideology of managers includes the work they do. Anthony discerns in the work of the neo-human relations school of Argyris, McGregor, Blake and Mouton, Hertzberg and others a managerial ideology, which constitutes 'the strongest bid for legitimate control that has ever been made'. In theory Y, for example, McGregor argued that the success of an organisation requires the integration of the individual's goals with that of the organisation so that 'the members of the organization can achieve their own goals *best* by directing their efforts to towards the success of the enterprise'. The most significant of such rewards include 'the satisfaction of ego and self-actualization needs', but these depend upon 'management's ingenuity in discovering how to realize the potential represented by its human resources' (McGregor 1960, pp. 48-9, original emphasis). In other words, for McGregor, these satisfactions are management-dependent.

This argument may be extended to the view that what benefits capital is good for everyone (Brown 2000). And that has a moralistic overtone. Neo-human relations analysis, Anthony argues, provides an ethical framework for management 'in promoting the psychological health of the employee' by satisfaction of basic needs through the medium of work. Hyman (1987, p. 43) makes the link between the satisfaction of such needs and managerial control by commenting that 'The pursuit of consent through contentment remains an important element in personnel policies'. This, Anthony argues, is based upon a premise that

> those who are in a controlling position in work are the only ones able to provide psychological well-being for their subordinates, the workers. Management thus comes to be presented as controlling the allocation, not only of material comfort, but of sanity (Anthony 1977, pp. 239-40)

The logical extension of the psychological and moralistic claims of a managerialist ideology is that any challenge to management prerogative is irrational and pathological.

Mann (1973, pp. 41-2) derided forms of 'diffuse paternalism evident in almost all managerial ideologies, though usually in its watered-down "happy family" version', describing it as 'more an appeal for fellowship than a demand for obedience'. The BCA's approach to industrial relations reform, for example, reflects such paternalism. It is 'dominated by the idea that management is the font of all wisdom and knowledge', where management determines how the organisation is to be run (Dabscheck 1990, p. 3). This attitude extends to questions of employee representation. The third report of the BCA's 'study commission', established to advise the BCA on industrial relations reform, advocated removing 'guaranteed representation rights for occupational and craft unions':

> In the circumstances, managers will have a strong incentive to work towards representation arrangements which maximise common purpose. These are more likely to arise in workplaces with fewer unions – ideally no more than one – rather than more. *There will be no gains to enterprises in leaving employee representation arrangements to chance, allowing employee choice to be determined willy nilly and potentially undermining common purpose.* Unlike the current arrangements, employees will have a choice of representation and *the arrangements we propose will enable managers to influence that choice, just as they do with many other aspects of employees' work* (Hilmer et al. 1993, p. 110, emphasis added).

In other words, management's control is perceived by the BCA and Hilmer et al. to extend legitimately not only to the achievement of common purpose but in determining both directly and indirectly the forms of employee representation, while at the same time advocating a system with 'employees being able to decide who can best represent their interests in dealings with employers' (Hilmer et al. 1993, p. 109). Such approaches rest on clear assumptions about the role of managers: employee choice may be available, but managers may legitimately limit the scope of those choices.

Another aspect of managerial ideology identified by Watson (1987, p. 205) consists of its close links to organisational culture (see also Evans 1999). At the level of values and assumptions, organisational culture is 'the system of meanings which are shared by members of an organisation and which defines what is good and bad, right and wrong and what are the appropriate ways for the members of the organisation to think and behave'. In these terms ideology provides an ethical basis for behaviour, which has emerged in the

discussion earlier in this sub-section. But, notions of ideology and culture are not necessarily linked. Watson argues that organisational culture can, in practice, have clarity, comprehensiveness and coherent expression, or it can be 'muddled, loose and vague'. Where it is the expression of management's involvement in, and control over, the creation of meanings for organisational members, culture reflects a unitarist ideology. Where it functions as 'an oppositional ethos encouraging a clash between the expectations and purposes of senior members and the rest', organisational culture resembles a pluralist model.

What empirical research on managerial ideology is there in industrial relations? This is considered next.

2.8   Empirical studies of management ideology

Empirical studies of managerial ideologies have been rare. One study in Australia which goes to the ideology of managers is Spillane's (1980, pp. 321-4) analysis of managers' and union leaders' attitudes towards industrial relations. He found a single factor he labelled a 'Socio-economic ideology', which contained many of Fox's elements of a unitarist ideology, including the belief that conflict arises from faulty communication, negative attitudes towards militant unionism, a positive view of employers, defence of the status quo and a growing emphasis upon individualism. It was not surprising that Spillane also found a strong ideological divide between management and labour groups.

Another study in Australia addressed the characteristics, attitudes and leadership styles of specialist industrial relations and personnel managers (Deery & Dowling 1988), but not of senior or line managers. In a survey of approximately 1,400 personnel managers and industrial relations practitioners, Deery and Dowling addressed the issue of the different frames of reference to which managers might subscribe in managing employees. They specifically sought to identify whether the respondents held different ideologies, or frames of reference, which shaped their attitudes or behaviour in industrial relations. Three statements were put to the specialist managers, the first of which was characterised as a unitary view: 'Employers and employees share common objectives because they are each part of the same team'. They concluded 45 percent of managers held to a unitary frame of reference against 44 percent who subscribed to a pluralist view ('Conflict is inevitable in

an organisation because employers and employees have divergent interests and objectives') and 11 percent had adopted a radical view that there is 'a fundamental conflict of interest between employers and employees which reflects the nature of class conflict in capitalist society as a whole' (Deery & Dowling 1988, pp 24-5).

The problem with this approach is that an ideology purported to be held by specialist managers was determined on the basis of a choice of only three statements representing each of the divergent unitarist, pluralist and radical perspectives, while two key elements of such ideologies - the attitudes of managers towards trade unions or employee participation and industrial democracy - were then identified separately. Deery and Dowling concluded, after addressing a number of managerial attitudes towards trade unions, that the findings suggested managers' views were consistent with another of the key characteristics of unitarism: that is, an antipathy to the presence of third parties such as trade unions. The finding that hostility to trade unions was similar between those managers who identified with the unitarist statement and those who identified with the pluralist and radical statements (Deery and Dowling 1988, pp. 25-6) is based on methodology which has questionable validity. Each of Fox's three 'frameworks', and unitarism in particular, has a range of characteristics. The use of two characteristics – attitudes towards trade unions and attitudes towards employee participation - as proxies to establish whether a unitarist ideology applies to managers is an inadequate test of a unitarist ideology, and militates against establishing an adequate explication of a unitarist or any other managerial ideology, for, in developing the unitarist framework, Fox had developed four key aspects of the unitary frame of reference. These aspects were outlined in section 2.4 above.

In a later, historical study of employee management in Australia, Wright (1995, pp *xiii*) analysed labour management practices in manufacturing across a range of functions: in recruitment, selection and training; how managers sought to achieve employee compliance with management goals; how work was organised and planned; and how trade unions and the collective interests of employees were managed. Wright applied the unitarist ideal-type to his findings, and concluded that most employers adopted a unitarist approach towards the management of labour. He adopted the elaboration of Fox (1974b) in which unitarist management is said to fall into two camps with 'low trust' or 'high trust' strategies and

Friedman's (1977; 1986) distinction between 'direct control' and 'responsible autonomy' strategies. Low trust strategies constitute an essentially authoritarian or coercive approach to the management of the workforce, backed by demands for employee obedience, strict disciplinary codes and the threat of dismissal for non-compliance. According to Wright, a 'low trust' or 'direct control' approach has been a relatively common and ongoing feature of labour management in Australia, depending upon 'traditional notions of master and servant and the sanctity of management prerogative' (Wright 1995, p. 6). The second approach attempts to get employees on side through the adoption of 'a softer, more consultative approach in an attempt to win over employees and gain their consent to management objectives' (Wright 1995, pp. 5-6). However, Friedman (1986, p. 113) argued, Taylorism, job redesign or human relations of themselves do not constitute responsible autonomy or direct control, but are likely to lead to practices characteristic of either end of a managerial practices continuum.

Wright observed that, despite the simplicity of the above distinctions, the reality of employers' approaches to the management of labour have been both complex and contradictory, with Australian employers adopting elements of both high and low trust strategies simultaneously within the same organisation, and sometimes in relation to the same groups of employees (Wright 1995, p. 6). In response to criticisms, Friedman emphasised the point that responsible autonomy and direct control were conceived of as part of a continuum of management behaviour rather than a dichotomy. Taking into account the external and internal factors which may come into play in influencing management strategies, he observed that different strategies may be pursued by different managers: 'lower level managers will be more sensitive to shop floor worker resistance. Top managers and sales managers will be more sensitive to product market conditions. Personnel managers and lower-level line managers will be more sensitive to labour market conditions' (Friedman 1986, p. 115).

As Wright (1995, p. 6) observed, the institutional, economic and market contexts of management control over labour costs and the application by workers to the labour required by the work process can make management strategy less predictable than the application of Friedman's model might otherwise suggest. Thus, practices in the

management of employees are constrained by a number of factors: the interaction of market forces and political and institutional environments; company size and ownership; technology and workforce composition; workplace trade union organisation; and employer attitudes and ideology (Wright 1995, p 11).

In another, rare example, a British case study systematically applied the various aspects of unitarism to management strategies and 'the ideological premises of action', that is, a shared set of values where the cultures of the organisation are integrated into a single, consistent, uniform whole (Jones 2000). Among the unitarist characteristics Jones identified were, first, a managerial imperative to integrate the diverse orientations and interests within the organisation to establish a single, common orientation; second an emphasis on common values; and, third a focus on managerial leadership. He concluded by recommending the adoption of a 'more unitarist strategy' while retaining some pluralist characteristics, taking a normative step beyond the observation by Fox (1974a, p. 272) that a unitarist conception of organisation and management may be constrained by pluralist notions of a limited prerogative which are implicit in collective arrangements.

2.9   Summary

There are two key contexts of this thesis. The first is research in the industrial relations field on management. A research focus on institutions, in particular on trade unions and, in Australia, on wage fixation, conciliation and arbitration, saw a general neglect of management in industrial relations. In the last twenty years, industrial relations scholars have developed a greater interest in the role of managers in industrial relations.

The second context is the placement of this research on industrial relations and human resource management in small and medium sized enterprises. This is still a developing area of interest among industrial relations researchers. The focus previously had been predominantly upon industrial relations in large organisations despite large studies such as the Australian Workplace Relations Surveys drawing out differences in industrial relations between large and smaller organisations.

There are three problems with the notion of a unitarist ideology, which led to the research initiated in this thesis. The first is that Fox did not base his account upon systematic

empirical research. The second is that attempts to draw out the construct were not comprehensive. Finally, despite these failings, unitarism has been iterated as a managerial ideology in industrial relations and human resource management books and journals.

While there are problems with the empirical basis of the unitarist ideology, the concept does have a firm intellectual tradition in the classical notions of management, the scientific management movement, and in human relations and neo-human relations. In this account, two principal characteristics of unitarism were identified: the assumption of consensus and harmony as the natural state of work organisations and the notion that power is neutral.

The relevance of the unitarist ideology is reflected in the claim of a growing number of industrial relations writers who observe a resurgence and pervasiveness of unitarism in public policy and in the management of work organisations both in Australia and the United Kingdom.

Applying ideology to industrial relations and the workplace is problematic because of the diverse uses (or abuses) of the concept of ideology. Ideology is often applied without a definition, used loosely, without comprehension of the scope of the term's meaning, or pejoratively. Although the concept applies to the values and beliefs to which an actor subscribes - with or without acknowledgement, whether consciously or not – writers, including industrial relations scholars, refer to such concepts as the ideology of regulation. Nevertheless, a study of managers' ideology can lead to a better understanding of the basis of managerial behaviour in the management of employees.

One significant work that incorporates ideology into an industrial relations model is Dunlop's theory of industrial relations systems. This is dismissed as an inadequate explanation of the values and beliefs managers bring to the management of employees, because his concept of shared understandings has contradictions, which are unresolved.

The definition of ideology adopted in this thesis refers to ideology as consisting of both beliefs/values and action. This has been variously interpreted by non-Marxists as action-related systems of ideas and in strategic choice theory, on the one hand, and by Marxists in the concept of praxis, on the other hand.

Even if managerial ideology were to be inconsistent, contain internal contradictions, change over time, and be applied expediently to managerial action, the concept remains useful for researching management behaviour in work organisations. Managers might use managerial ideology to justify and sustain their position within work organisations, addressing questions of legitimacy, power and control. How this occurs in practice might suggest whether the manager subscribes to a unitarist ideology or to some other set of assumptions about the employment relationship. SME managers are clearly involved in control over the means of production. The function of ideology in defending the role and performance of management is intended to reinforce employee acceptance of managerial roles and to legitimate management by promoting the idea that the interests of management and managed are identical, thus minimising conflict, raising questions about the role of third parties such as trade unions, and providing an ethical framework where failure to concur with management is morally indefensible.

While managers might have a role in exercising control over the means of production, it is not clear that they have identical interests with employers. It cannot be assumed, therefore, that managers share a common ideology with employers. Managers, in Armstrong's terms, are in an agency relationship with employers. The values and beliefs about the special position of managers in control over the means of production and employees are expressed in notions of managerial prerogative, a primary element of the unitarist ideology. Often, this might be obscured and, while ideology is managerially self-sustaining, the behaviour of managers can be modified in an interactive relationship influenced by the strategies adopted by employees, or by legislation and other regulatory frameworks. Thus managers' behaviour might not reflect truly their ideological adherence.

Nevertheless, the life of an organisation – or even the totality of human resource management strategy - might be infused with ideologically driven, paternalistic metaphors such as family and teams, while employers, managers and legislators pursue individualised workplace arrangements that eschew collective representation. The reality of paternalism is the accession of managerial rights to limit employee choices, even while promoting the rights of individuals through concepts such as empowerment.

There have been few studies of ideology in Australian industrial relations. Of those that have been conducted, they have been limited in delineating the scope of ideology in general or of unitarism in particular. This thesis seeks to provide a detailed analysis of management ideology by applying a comprehensive breakdown of the components of the unitarist framework and testing them against the responses of SME managers and their management actions and proclivities. In chapter 3, the specific sources for each of the items in the specific questions relating to each of the four aspects of Fox's development of the unitarist ideology are set down.

CHAPTER 3 THE DIMENSIONS OF UNITARISM

3.1 Introduction

Managers' values and beliefs about managing employees, which derive from the traditional sources of unitarism, and which may reflect some or all of its characteristics, can be distilled into four key dimensions of Fox's construction of unitarism. This chapter examines each of the four dimensions of Fox's unitarist ideal-type, and presents the sources for each of the questions developed for the survey questionnaire employed in the empirical research.

The four dimensions are outlined in section 3.2. In each of the subsequent sections (sections 3.3 to 3.6), there is a discussion of each of the dimensions followed by an account for each question in the survey questionnaire. The basis for the survey questions referring to managers' attitudes towards managerial prerogative are discussed and set out in section 3.3. The second unitarist dimension reflects managers' attitudes towards conflict. This is found in section 3.4. Managers' attitudes towards collective workplace arrangements constitute the fourth dimension of unitarism (section 3.5). The final dimension of unitarism is constituted by managers' attitudes towards trade unions. This is discussed and the source of the questions delineated in section 3.6. The four unitarist dimensions are followed by references to managers' perspectives on the limitations they encounter in managing employees (section 3.7). This is followed by an examination of the sources for each of the items in Part C of the questionnaire, which deals with the range (section 3.8) and extent of consultation (section 3.9). The final substantive section of this chapter refers to the source of questions designed to establish the extent to which managers are satisfied with the performance of the SME and its employees. The chapter concludes with a summary of the material.

3.2 The four key dimensions of Fox's unitary frame of reference

The four central dimensions of Fox's unitarism are, first managerial attitudes towards managerial prerogative. Second, an implication of a unitary model of organisation is the concern that conflict raises for managers. Third, flowing from the focus on managerial prerogative is an implicit set of attitudes with respect to collective workplace relations in

general. Finally, there is a set of specific attitudes towards trade unions, which forms a significant focus in the account of unitarist management perspectives on the workplace. These four dimensions of managerial attitudes will form the proxies for analysing managers' ideology and determining whether it is a unitarist ideology, which underpins their management of employees. In each sub-section are presented the sources for each statement in the survey. These statements were designed to test the managers' views. Managerial prerogative is the pre-eminent element of unitarism, which is considered first.

3.3   Attitudes towards managerial prerogative

The first characteristic of a unitarist perspective on management rests in attitudes towards the exercise of managerial prerogative (Fox 1966b p. 407; 1974a, p. 249). As such, managerial prerogative is central to a unitarist ideology (Wright 1995, p. 5). A unitarist ideology 'consists of those patterned and selective self and structural representations put forward by businessmen which pertain to its distribution', is 'both of a strictly economic kind and in the perpetuation of a given authority structure' (Nichols 1969, p. 208-9) and emphasises order and stability (Hyman & Brough 1975, p. 233), which posits and upholds managerial prerogative.

Managerial prerogative was used in chapter 2 without definition. Narrowly applied to industrial relations, it refers to 'the traditional authority of the employer unilaterally to determine wages, hours and other terms and conditions of employment'. More generally, the term refers to management's 'inherent right to operate its business as it sees fit' (Perline & Pointer 1990, p. 180; 182). This is an 'unfettered right' if its scope is not negotiated between managers and employees. One of the contestable issues, therefore, is whether room can be made for employee and union participation and joint regulation through bargaining without compromising management prerogative. Bargaining and other forms of joint regulation and employee participation involve managers committing themselves to compromise and to abandoning some aspects of their claim over managerial prerogative (Fox 1971, p. 157).

Managerial prerogative has within the unitarist framework an inherent legitimacy, which is reflected in management's responsibility to exercise their authority in decision-making. Managers rely on it for reassurance, persuasion and legitimation of their authority (Fox

1966b, p. 395). The need for justification in this sense harbours an inherent contradiction. If an organisation really were a unitary construct, such justification for managerial prerogative would not be necessary. That is, of course, why challenges to managerial prerogative might be regarded by managers as lacking legitimacy and, at worst, subversive.

Managerial prerogative is a powerful concept involving a set of values and beliefs about dealing with employees and unions. This set of values and beliefs are operationalised in the establishment of structures and processes within the organisation. Managers have a vested interest in the maintenance of their position in production or service provision, which extends to asserting and defending their place within organisations, not only in the face of challenges to, or resistance against, managerial control from other employees, but also against the aspirations and objectives of owners (whether an individual, a family, or that rather broader and less well defined group, shareholders). At the same time, the goals of accumulation and profit through efficiency, order and rationality are assumed by managers into an ideology, which emphasises managerial autonomy (a synonym for managerial prerogative) as a necessary condition for the establishment of legitimacy (Clegg et al. 1986, pp. 161-2). Managerial decision-making as the exercise of authority thus lies beyond legitimate questioning or bargaining (Sutcliffe & Callus 1994, p. 114).

The establishment of legitimacy is not a once-and-for-all condition of the employment relationship. Littler (1982, p. 39) argued that 'managers face a recurrent task of re-establishing their legitimacy'. He posited a pattern of concepts of legitimacy, first, in terms of cultural norms, such as the formal subordination of labour, which create overarching patterns of legitimacy orientations. Second, legitimacy is organisation-based, especially the 'ideology of technocracy' which shores up the 'essential role of management' in organisations. Legitimacy, in this case rests in the acceptance of property rights and management expertise. However, he argues that the achievement of employee consent, which might flow from this notion, may have nothing to do with the process of legitimation and more to do with trade-offs and other aspects of the employment exchange. These processes would indicate that the acquiescence imputed in the brief discussion in chapter 2 on employees' responses to domination might in other cases be rather less passive under certain circumstances. Nonetheless, the legitimation of authority is one of

the defining aspects of managerial ideology, which consists of those 'ideas which are espoused by or for those who exercise authority in economic enterprises, and which seek to explain and justify that authority' (Bendix 1974, p. 2). Child (1969, p. 27) likewise applies the term ideology to 'a legitimatory function on behalf of management'. Legitimation is not only asserted through structures and processes. Storey (1983, p. 101) argued that legitimacy denotes those ideas and statements, which serve to justify management prerogative.

Those legitimating functions may be quite indirect and implicit in the lexicon of employee management. Such terms as 'leadership' and 'team spirit' may be developed to 'suit the democratic ethos of the age' (Fox 1971, p. 205), a reflection, which has resonance in contemporary business school courses on leadership and teams[12]. But, they do not necessarily involve democratic processes within the work organisation. Specifically, such notions as leadership and work teams are developed within a framework designed to validate management's procedural norms with a view to promoting agreement on the ideas and values, which underpin its *modus operandi* (Fox 1971, p. 39). It is not just agreement, or the different conditions of consent or acquiescence, which constitute the objective. These are management ideologies that seek both to justify the subordination of employees and affirm employers' (or managers') authority (Bendix 1974, p. ix) and managerial prerogative. The metaphors of 'leadership' and 'teams' imply that the organisation constitutes a unified body. Leadership is often presented as the ideal management model, while work teams replace the hierarchical order of the bureaucratic organization in an attempt at changing organisational culture (Alexander et al. 1994, pp. 28-9). As Sinclair (1992, p. 612) notes,

> … teams are frequently used to camouflage coercion under the pretence of maintaining cohesion; conceal conflict under the guise of consensus; convert conformity into a semblance of creativity; give unilateral decisions a co-determinist seal of approval; delay action in the supposed interests of consultation; legitimise lack of leadership; and disguise expedient arguments and personal agendas.

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[12] Some examples of leadership courses in Australia universities are: Leadership [MGMT13-320], Bond University; Leadership and philosophy [MBA9056], Monash University]; Leadership and Motivation [MGSM87], Macquarie University; an undergraduate major in Management & Leadership, University of Southern Queensland; Graduate Diploma of Business (Leadership and Management), Edith Cowan University. An example of a course in teamwork is Team Leadership [MGT8037], University of Southern Queensland. The Australian Catholic University offers short courses in teamwork.

This depiction – while perhaps overstating the possibility of manipulation in order to maintain managerial prerogative – serves to illustrate how the use of teams creates what Sinclair calls the 'tyranny of a team ideology'. Managerial prerogative is ultimately a question of power and there is many a case of managers putting in place consultative mechanisms, which effectively operate as sounding boards while the key decisions continue to be made irregardless by managers.

Management's prerogative in issuing directions is based upon claims of technical competence or expertise and a scientific knowledge of behaviour. Technical competence or expertise in management might be learned in business school or arise from an accretion of experience in directing people. Either route also provides 'a set of impressive and comforting ideas' in a doctrine, which explains and justifies what the manager thinks and does. Such managerial doctrines provide legitimacy and self-justification, explaining the managerial role favourably to employees (Rose 1988, p. 16). In the workplace, this might consist of a quite strenuous effort to gain the consent of employees and to transform their reactions to being managed. The control of work involves an attempt to influence the 'meanings, values and sentiments given to work by workers, as well as programming and disciplining their behaviour directly through work organization and supervision' (Rose 1988, p. 11).

The securing of managerial legitimacy and employee commitment arises from the underlying characteristic of the employment relationship as a transaction in which the parties attempt to maximise their returns from the exchange process (Keenoy 1991, p. 318). An example of this can be seen in general managerial attitudes to employee participation schemes such as Quality of Work Life or Quality Circles. Bradley and Hill (1987, p. 74) identified two strongly anti-participative elements widely reflected among western managers. The first rests in a 'technocratic belief in managerial professionalism'. This identifies managers as the only competent and legitimate decision-makers in the organisation. The potential contributions to the firm of other employees are consequently (but not necessarily) devalued. The second element is a rationale for dealing with employees which is based upon the 'privileged position of trust' accorded managers who act on behalf of capital and serve its interests. From this perspective, labour is regarded 'as

a factor of production with a specific contractual relationship to the firm and is seen as being essentially untrustworthy'.

The question of managing employees does not necessarily fall within such a framework: managers are faced with competing models for dealing with the role of employees. First, Taylorist and neo-Taylorist work schema, for example, eliminate or reduce employees' discretion over work processes. Thus managers may limit the capacity of employees to 'interfere in the achievement of management targets, by locating the control of employee effort in management itself'. Second, management may 'encourage and channel the potential intelligence and creativity of employees in the service of efficiency and quality'. Third, management may adopt a position where a balance is found between these imperatives (Salaman 1989, p. 87).

These considerations of managerial prerogative lead to a general research question: what are SME managers' attitudes towards managerial prerogative? A range of sub-questions follows that deals with various aspects of the exercise of managerial prerogative.

If this research is to ascertain whether or not there is an identifiable set of values and beliefs, which constitute a unitarist ideology, the survey needed, first, to examine the attitudes of managers towards their own role. Participants were asked as follows: *Please tick the box which most closely reflects your view on the following statements about management*. The references listed have typically given rise to the form of the statements in each of the questions on managerial prerogative.

1. It is a manager's primary role to direct employees

From the classical perspective, managers give orders and expect them to be obeyed (Hyman 1975, p. 197; Robbins et al. 1994, p. 619). Fox (1974, p. 250) referred to this issue in terms of the 'constantly asserted and enforced "right" of the master to demand unquestioning obedience from his servants'. According to Blandy, Dawkins, Gannicott, Kain, Kasper and Kriegler (1985, cited in Drago, Wooden & Sloan 1992, p. 42), the role of management involved planning, measuring and directing the mode of production. Conversely, according Keough and Doman (1998, p. 33), many chief executive officers see their primary role as 'no longer to exert direct control, but to educate their people'.

2. A healthy organisation is unified around management as the central source of authority

This issue extends Fox's (1966a, p. 370) reference to 'a view of industrial social structure which combines the single source of authority postulated by the scientific management school with personal leadership skills urged by the human relations approach' (see also Wright 1995, p. 5).

3. Managers' principal responsibility is towards the employer/shareholders

This item is the converse of the Berle and Means argument that managers have a neutral role in balancing the competing interests of organisational stakeholder including shareholders and labour (1932 cited in Dufty & Fells 1989, p. 64). Blair (1995) subscribed to the view that managers should be accountable to stakeholders other than shareholders. The concept of shareholders monitoring managers (La Porta, Lopez-de-Silanes, Shleifer & Vishny 2001) contains within it an assumption of responsibility back to the shareholders. Wallman (1999), in the American context, but applying the principles to other national corporation laws, argues that there is a responsibility not only to maximize current and future shareholder interests but also to balance the interests of differing constituencies whose multiple and changing interests must be continually balanced. In a separate argument, Deakin, Hobbs, Konzelmann and Wilkinson (2002, p. 336) propose that a key role of senior managers ought to be to mediate between the stakeholder groups rather than simply acting as the agents of the shareholders. Finally, Margolis and Walsh (2003, p. 271) note that economic theory 'instructs' managers to focus on maximizing shareholders' wealth and argue that this assumption has come to dominate the curricula of business schools.

4. Individual employee agreements such as Australian Workplace Agreements restore managers' rights to manage

The Full Bench of the High Court provided the general context of specific legislative industrial relations provisions such as individual contracts (Australian Workplace Agreements). The Full Bench noted of the limitation on managerial prerogative of legislation in the industrial relations arena: 'Many management decisions, once viewed as the sole prerogative of management, are now correctly seen as directly affecting the

relationship of employer and employee and constituting an "industrial matter" ' (*Australian Labour Law Reporter* 2002, 2-520; Creighton and Stewart 1990, p. 81; see also Deery and Plowman 1991, p. 469 on the 1984 Termination, Change and Redundancy decision of the Full Bench of the Australian Conciliation and Arbitration Commission). Campbell and Brosnan (1999) have argued that labour market deregulation in Australia - of which individual contracts as set down in Australian Workplace Agreements are a key element - has indirect impacts which extend managerial prerogative. As Fox (1974, p. 250) observed, managerial prerogative in particular and unitarism as an ideology are rooted in the common law development of the Master-Servant Acts, which focussed on the individual employment contract.

5. *Managers have more commitment to the company than other employees*

In a Finnish study of the impact of human resource management policies on organisational commitment in the metal and retail industries, Vanhala and Tuomi (2003) found that managers were more committed than white collar and blue collar workers, reinforcing the validity of the question. It is also implicit in the following statement from a study report commissioned by the Business Council of Australia:

> Managerial leadership creates the circumstances in which all employees volunteer their best. It has four elements:
> - The existence, among the leadership of a business, of a clear vision of the values and behaviours that should characterise employment relationships within the business.
> - The manifestation of those values and behaviours by managers to build the confidence, trust and commitment of employees.
> - Organisational structures and systems that drive and support high-standard, consistent leadership and behaviour.
> - Actions that increase the capability and performance of all employees and their preparedness to embrace the values and behaviours that characterise the business.
>
> To CEOs, "managerial leadership" is not "management prerogative". The latter has long had currency as a way of defining the distribution of power in the workplace in the world of industrial relations. Leadership is about creating the circumstances in which all the employees of the business are prepared to align their behaviours voluntarily (Angwin 1999, pp. 8-9).

If employees are encouraged to 'align their behaviours voluntarily' with managerial leaders, presumably there is an assumption of the superior quality of the leaders, and their manifested behaviours that build, amongst other qualities, the commitment of employees, would likewise only occur where the manager had superior commitment.

6. Negotiating trade-offs in agreements compromises effective management

The sentiments behind this statement lie in the public arena. According to Comalco management, collective agreements and awards encourage a 'trade-off' mentality (McDonald & Timo 1996). In putting the case against collective bargaining, the company argued, 'individual contracts have a number of advantages in that they specify the terms and conditions of employment and are consistent with the company's desired workplace culture' (*Industrial Relations and Management Letter* 1994). Conversely, Fox, in his original paper on unitarism, observed that 'Mistrust of collective bargaining is sometimes expressed precisely because it is said to encourage the "two sides" mentality' (Fox 1966b, p. 405). Peterson (1947, p. 48), in the first edition of the *Industrial & Labor Relations Review*, observed that 'collective bargaining was generally held to be inimical to "sound" business and economical principles', and said it presented 'unique problems in the art of management'.

7. Involving shopfloor employees in major decisions is necessary for effective management

This item reflects the joint CAI, BCA, ACTU statement, *Issues Related to Productivity Improvements*: 'The parties acknowledge the need for developing more effective employee participation based on improved information sharing, developing more effective communications between all levels of the enterprise and encouraging more active employee involvement' (cited in Davis & Lansbury 1996, p. 8). According to Marchington and Armstrong (1981, p. 11), efficiency (an outcome of effective management) is one of the objectives of involving workplace representatives through consultation.

8. Individual employee agreements such as Australian Workplace Agreements reinstate managers' primary responsibility towards the employer/shareholders

This item combines the issue of managers' responsibility towards owners and/or shareholders and individual contracts, referred to in items 3 and 4 of this question set. Gregg (2001, pp. 34-5) argued, first, that shareholder value is not only the priority for directors, it is also the principal responsibility of managers and other employees, and, second, that the duties that directors and managers owe to other groups undermines this

accountability. If individual contracts extend managerial prerogative (Campbell & Brosnan 1999), then arrangements such as Australian Workplace Agreements would assist the reinstatement of the primary responsibility, which, Gregg asserted, overrides all other obligations. The company, NCR, for example, 'believes that a cooperative, respective (sic) working relationship among NCR people without the intervention of third parties is in the best interest of all our stakeholders' (quoted in Nissen 1998).

9. Effective managers involve employees in key decisions affecting the organisation

Vaughan (1991, pp. 420-1) noted that one of the advantages advocated for employee participation was that it creates an improved rationality and legitimacy leading to greater effectiveness of management decision-making. This statement reflects this rationale. Walls (2003, p. 26) argued in an engineers' magazine that 'most effective managers have adopted a management style that is characterized as bottom-up problem solving'.

10. Empowering employees will improve the company's performance

Collins (1998, p. 88) observed that the 'subject of empowerment has been one of the central motifs of management thought for a little over a decade'. According to Bowen and Lawler (1992) empowerment has some worker-related advantages and a number of performance outcomes in providing customer service, which is one aspect of performance. Simons's (1995, p. 88) perspective was that empowerment added value to the organisation.

11. Self-managing teams are the way of the future for successful companies

The emphasis in this item is on self-managing teams, often advocated as a key element of socio-technical production systems which are variously advocated as 'high performance' or 'high commitment' strategies (for example, see Mathews 1994, p. 51), upon which the success of companies is dependent.

12. One key to successful management of employees is to put in place up-to-date systems to monitor employee performance

In exploring the rationale for electronic monitoring of call centre employees' interaction with callers, for example, Halachmi (1992) identified arguments relating to the management of complex operations, quality assurance, flexibility, managers' right to know

what employees do on company time or by using company resources, and policing the work force with respect to employee policy in the use of electronic resources.

13. Employee resistance to change must be met by firm management action

This question adapted an item from research by Goll & Zeitz (1991, p. 204) on 'corporate ideology', originally worded, 'Resistance to change should be met by issuing orders and warning employees of the serious consequences of resisting management'.

14. Involving employees in key decision-making is impractical

Adams (1992) argued that despite the moral imperative of universal participation in a democratic society, North American managers have adopted anti-democratic behaviour in the absence of laws requiring joint workplace regulation. The argument against participation, he stated, is that participation is impractical. Hilmer et al. (1993, p. 98) criticised the industrial relations system, before the Coalition changes in 1996, for requiring 'considerable management time – they often lead to protracted delays and a slow pace of change….' Boatright (2004, p. 2) argues that the reason for the absence of forms of employee participation in organisations is its 'relative inefficiency'.

15. Managers must set the goals shared by all of the members of the organisation

This statement reflects one aspect of a fundamentalist approach to managerial prerogative and flows from 'direct control' strategies in which managers constrain the scope of individual discretion and provide close supervision (Friedman 1977). This would not be possible without managerially controlled goal setting.

16. Third parties such as unions, government, and the Commission undermine management's legitimate authority

This statement partly reflects comments by the then federal Minister for Workplace Relations that the 'new Act is built on: commitments to a more direct relationship between employers and employees with a much reduced role for third party intervention' (Reith 1996; 2000). 'Third parties' included unions: 'The role of unions in Australian industrial relations is a classic example of third party intervention' (Reith 1997). These are examples of a unitarist perspective on unions (for example, Deery et al. 1998, p. 1.4). The statement

is consistent with Fox's observation of the unitarist view of organisation as an isolated community, a 'private "unified" structure' or a team which stands alone, 'its members owing allegiance to their own leaders but to no others' (Fox 1966a, p. 368; 1966b, pp. 392, 403). In such a model of organisation, all other parties are 'third parties' which intrude upon the legitimate exercise of managerial prerogative. This extends to concerns about government regulation.

17. Consultation with employees on major issues leads to decisions which are less than optimal for the efficient functioning of the firm

This may constitute a reason for managerial reluctance about employee participation which 'dilute(s) substantially their decision making power or erode(s) managerial prerogative' (Gardner, Palmer and Quinlan 1988, p. 338; see also Callus et al. (1990, p. 136), Davis and Lansbury (1996, pp. 11-14), Morehead et al. (1997, p. 244). The assumption of managerial prerogative is that efficiency rests in the exercise of management skills.

In the first set of questions, on managerial prerogative, some of the links between the source and the wording of the items are implicit rather than explicit, and sometimes they are adaptations of comments (for example, item 6). This applies to many of the items in the subsequent sub-sections.

3.4   Attitudes towards conflict

The second key characteristic of unitarism is managerial attitudes towards conflict. Fox identified a link between the notion of the organisation bound together by harmony and common interest and a denial of the validity of conflict. Managers do not deny the reality of conflict but ascribe it to marginal characteristics such as personal friction, managers' failure in communication, employee incomprehension of organisational aims and objectives, their failure to understand common interest or the result of deliberate agitation (Fox 1966b, p. 404).

Managers' concern with the distribution of power (or its concentration), which underpins managerial prerogative, is also linked to concepts of management interests and conflict (Nichols 1969, pp. 209, 212), notwithstanding managerial discomfort with the idea of conflict. This is consistent with a focus of industrial relations scholarship on questions of

control and conflict. Nevertheless, it has been argued that the major concept in shopfloor conflicts and compromises is not power and control but legitimation. This focus arose from an interest in the substance of rule generation and change, that is, the ends to which power is directed rather than the roots of power itself. In this context, legitimation has two aspects. It makes possible the mobilisation of power resources on an issue. At the same time, legitimation serves to undermine opposition and so achieve the desired results for a minimum outlay (Armstrong et al. 1981, p. 15).

Survey participants were asked in the third question set[13] to *tick the box which most closely reflects your view on each of the following statements about conflict (by conflict is also meant disputes & grievances in the workplace).* Fox (1966b, p. 399) applied Kornhauser, Dubin and Ross's definition of conflict as 'the total range of behaviour and attitudes that express opposition and divergent orientations between industrial owners and managers on the one hand and working people and their organizations on the other.' Conflict in the unitarist construct, as expressed in terms of divergent orientations, is symptomatic of short-sightedness and incompetence (Fox 1966b, p. 367). The items in this question are designed to elicit the values and beliefs of managers about conflict.

1. *Conflict in the workplace is inevitable whatever management structures are put in place*

Fox (1966a, p. 375) admonished unitarist managers with the need to accept the reality of work-group interests which conflict, quite legitimately with their own. The statement is consistent with pluralist concepts of organisations (Gahan 1990, pp. 64-5).

2. *Conflict would be eliminated if management's legitimacy was recognised by all parties*

The statement clearly reflects that aspect of Fox's unitary framework in which one of the aspects of conflict or 'oppositional behaviour' by employees is that it lacks legitimacy (because it fails to acknowledge managerial legitimacy). Furthermore, legitimacy is invested in the view that the interests of managers and employees are identical. If

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[13] The second question in the survey questionnaire was about collective workplace relations. The order has been changed in this chapter and in other chapters of the thesis to reflect the closer logical relationship between managers' attitudes towards collective workplace relations generally and towards trade unions in particular.

conflict does emerge in an organisation - undermining that unitary characteristic - it arises from 'stupidity, wrong-headedness or out-dated class rancour', which undermine managerial legitimacy (Fox 1966b, p. 405; 1974, p. 249). In other words, conflict is incompatible with the recognition of legitimacy. Long, Sitkin and Cardinal (2004, p. 12) argue that conflicts, especially those between managers and employees, threaten managerial legitimacy and authority. The question represents the converse of that proposition.

3. Unions contribute significantly to the presence of conflict in the workplace

In 1994, an internal Comalco document entitled, 'Staff Contracts of Employment - A Discussion Paper', one of the central arguments for rejecting trade union legitimacy was that trade unions maintained conflict in the workplace because they owed their very existence to conflict between management and workers (*Industrial Relations and Management Letter* 1994, p. 11). Bramble and Heal (1997) describe the linkage between unions and conflict as a unitarist view 'that unions and conflict are essentially illegitimate, dysfunctional or the sign of an underlying pathology in what is essentially a harmonious relationship between employer and employees'. While this does not indicate the contribution of trade unions to conflict in the statement, it does suggest a linkage.

4. Conflict is symptomatic of employees' inability to understand the complexity of work in today's organisation

Characterising unitarist attitudes towards conflict, Salamon 1987 (pp. 26-27) observed that 'conflict…(arises) from a lack of understanding on the part of employees that management's decisions and actions are made for the good of all within the organisation'. Ford and Hearn (1987, p. 6) likewise identified employee's failure to understand a situation, as characteristic of a unitarist explanation for conflict. These observations build on one of Fox's unitarist characterisations of conflict: that it might arise as 'the result of stupidity in the form of failure to grasp the communality of interest' (Fox 1966b, p. 405), or 'shortsightedness or incompetence among the parties' (Fox 1966a, p. 367).

5. Where conflict occurs it reflects a failure on management's part to manage competently

Fox (1966a, p. 369) referred specifically to the classical management school perspective that conflict is an outcome of 'managerial incompetence'. Conflict is not intrinsic to work organisations but the outcome of managerial incompetence in the failure to apply scientific, rational principles to the planning and coordination of work. It is a failure of leadership and social skills in managers, for example, through a breakdown in effective communication between management and employees.

6. If managers could deal with employees face to face without the intervention of third parties, conflict would be reduced

This statement reflects a fundamental position on industrial relations reform of the Business Council of Australia, which advocated an informal industrial relations whose 'processes are informal, involving direct dealing, eyeball to eyeball, between the parties concerned. In this world, diversity can be more readily tolerated' (BCA 1989, p. 27). As Henderson (1986) put it: 'the key to industrial relations reform is to make it legal for employees and employers to reach their own agreements about work conditions and work practices - free from the interference of trade unions or industrial tribunals'. The assumption here is that conflict would reduce in the absence of trade unions, in particular. The assumed reason for this is that union officials 'see the world chiefly in terms of conflict over the shares of a "cake" over whose size they have little influence' (Gorringe 1987).

7. Conflict is mostly the product of individual employees' reactions to grievances

One unitarist explanation of conflict is that it is caused by incidental factors such as clashes of personality within the organisation (Salamon 1987 pp. 26-27). At the individual level, conflict can arise from a 'failure to understand a situation, a breakdown in communications and/or a deliberate invention of agitators, trouble-makers, subversives, etc.' (Ford & Hearn 1987, p. 6). Fox (1966b, p. 405) likewise identified the 'merely frictional' characteristic of conflict as a unitarist perspective.

8. Conflict is irrational because managers and employees share common objectives

The sharing of common objectives is one of the salient features of unitarism. According to Fox (1966b, pp. 391-2) the unitary system has 'one source of authority and one focus of

loyalty, which is why it suggests the team analogy', in which there 'are no oppositionary groups or factions' (see also Deery & Plowman 1991, p. 5). The team analogy imputes common objectives. Fox specifically referred to the irrationality of employee-generated conflict. He drew the conclusion from a human relations perspective, in which managerial behaviour is characterised as being guided by the logic of cost and efficiency, and workers display 'a non-logical, emotional, and sentimental nature (Miller & Form 1964, cited in Fox 1973, p. 186), that 'It is only a short step to the triumphant conclusion that the workers' irrational behaviour is and that irrationality of conflict flows from this conception of the employment relationship' (Fox 1973, p. 186).

9.   Conflict between managers and employees is usually stirred up by third parties

The third party source of conflict is an assumption, which underlies the BCA's criticism of industrial relations as 'largely focused outside the enterprise, adversarial in nature, and conducted by intermediaries positioned between management and other employees' (BCA 1987). Fox (1974, p. 271) referred to the unitary view that unions 'play an essentially mischievous role by inducing their gullible fellows to take up a conflict stance towards the management function'.

10.   There will be no conflict when all employees consider themselves team players

Deery and Dowling (1988, pp 24) characterised the unitarist perspective where 'employers and employees share common objectives because they are each part of the same team'. That scenario would obviate conflict, as is argued with respect to item 8. Fox (1966b, p. 391) referred to the unitarist picture of a 'successful and healthily functioning team', in which the members will 'strive jointly towards a common objective', each pulling their weight to the best of their ability, accepting their place in the organisation and their role, and following managerial leadership.

11.   Individual contracts would eliminate conflict

This is another issue, which is in the public arena. Comalco management argued that collective bargaining 'put control of important workplace systems (particularly pay and termination for poor work performance) outside the business and put it in the hands of third parties whose existence is based on the premise of conflict between 'management' and

'employees' and who may have very different objectives from ours' (*Industrial Relations and Management Letter*, 1994). Removing the role for third parties by imposing individual contracts was seen to remove a major source of conflict.

12   Management failures in communication and leadership are the most significant causes of conflict

Salamon (1987) identified poor communication by management of its plans and decisions as one of the unitarist explanations for the presence of conflict in the workplace. This was based on Fox's delineation of the aspects of unitarism. Fox (1966a, p. 369) linked breakdown in 'effective communication' with failure of leadership, and specifically identified 'faulty "communications", for example "misunderstandings" about aims or methods' as a feature of unitarist attitudes towards conflict (Fox 1966b, p. 405).

13. Conflict and loyalty to the firm are incompatible

Fox (1974, p. 249) discussed loyalty and conflict together. Although he dealt with loyalty to management rather than the firm, the statement is consistent with his depiction of the unitary construct. He referred critically to the unitarist perspective on

> 'the failure of some groups of lower, and sometimes even of middle, rank participants to acknowledge management's prerogative and its call for obedience, loyalty and trust…. Employees should stop defining their situation in conflict terms of divergent goals, repose trust in their superordinates, accept their leadership, and legitimise their discretionary role.

The incompatibility of conflict and loyalty is clearly implicit in this characteristic of unitarist attitudes.

The third set of attitudes constituting the unitarist perspective goes to managers' attitudes towards collective relations in the workplace.

3.5   Attitudes towards collective workplace relations

Fox referred in his initial essay to collective relations in a broad but short discussion of the dissonance between managerial practice in, and managers' attitudes towards, collective negotiations, dispute resolution, and consultation (Fox 1966b, p. 396). Although this discussion was set in the general context of managers' attitudes towards trade unions, the absence of trade unions from many workplaces suggests that the more general topic of

managerial attitudes towards collective workplace arrangements is also pertinent to this study of a unitarist ideology. According to Fox, managerial ideology contains conflicting notions of 'self orientation and group orientation'. Group orientation is constructed in terms of 'undivided loyalty' to the organisation and expressed in team metaphors (Fox 1974a, p. 125). The unitary focus of a workforce with these characteristics is at odds with those workplace practices, which recognise implicitly the plurality of interests.

For example, collective bargaining was to play no role in management's plans for a 'desirable workplace culture' at Comalco, a Rio Tinto company (*Inside Enterprise Bargaining* 1994, p. 7). Organisational culture is beyond the scope of this study, however the perspective offered by Comalco management that collective bargaining is inappropriate for the corporation raises the question whether SME managers have similar views on collective bargaining and other collective arrangements.

Leadership and work teams are often posited as alternatives to collective bargaining. This latter process is the lynch pin of pluralist industrial relations process, providing a channel through which the differing interests of management and employees may be resolved on a collective basis (Salamon 1987, pp. 266-267). Collective relations may be critically viewed from a managerial perspective as interposing 'third parties' such as unions on the employment relations between employers (or managers) and employees. This issue leads to the general research question: what are managers' attitudes towards collective workplace relations?

This set of statements, addresses management views on collective relations in the workplace, the items also come from a range of sources. Items 1, 3, 4, and 5, for example, are derived directly from, or are paraphrases of, comments on this topic made by managers at Comalco, a Rio Tinto company, and reported in a case study on the individualisation of employment by McDonald and Timo (1996).

1. Negotiations and bargaining encourage an adversarial 'them and us' culture in the workplace

There is a view that 'traditional collective bargaining is rejected as reflecting an adversarial "them and us" view of the world at odds with the principles of cooperation

and "common purpose" ' (Hamberger 1995, p. 5). The employer association, the Australian Mines and Metals Association (AMMA 2005), for example, directly makes this link, referring to the 'traditional award system which fostered an attitude of resistance to change, of "them and us" – classic adversarial traits'. The AMMA went on to claim that the introduction of individual contracts led to 'positive changes in attitude and behaviour displayed by those who signed workplace agreements'.

2. *Negotiations and bargaining encourage a 'trade off' mentality that works against the role of management in achieving organisational goals*

In a dispute over the introduction of individualised contracts in Comalco, the company's advocate told the Australian Industrial Relations Commission that the disadvantage of collective bargaining is that 'improvements in work have a tradeable value … to be hoarded up and sold in the collective negotiations' (AIRC 1995, CRA, Weipa Dispute Hearings, C. no. 20166 of 1994, Transcript, p. 92; Hamberger 1995, p. 5).

3. *Employees on individual contracts will be better team players than employees on collective agreements*

This statement is similar to the view expressed by Comalco Smelting's managing director before the federal Industrial Relations Commission that 'workers who go onto individual contracts will *always* be more productive than workers who are covered by collective agreements' (Davis 1996).

4. *Collective agreements and awards encourage employees to view third parties as the source of improved employment terms and conditions rather than management*

Comalco management argued that collective arrangements 'encourage employees to view third parties (union and AIRC) as the source of improved employment terms and conditions. This makes it difficult for employees to understand that improved terms and conditions can only be introduced and sustained as a result of achieving improved business competitiveness and can lead to conflicting loyalties' (*Industrial Relations and Management Letter* 1994, p. 11, emphasis in original).

5. Management is best placed to determine what is best for the employees

Anthony (1977, pp. 239-40) critically addressed this view, pointing out that the neo-human foundations of management led to a conclusion that managers are the only ones in the workplace able to provide for not only employees' material needs, but also their psychological well-being. It is also another perspective on managerial prerogative, appropriated from the economic efficiency argument that it is in everyone's interests 'that managers be left alone to manage as they see fit' (Storey 1983, p 104).

6. The presence of unions generally reflects a history of poor management in an organisation

Fox (1966b, p. 402-4) summarised the unitarist explanation for the existence of trade unions at all: they arose through the 'misdeeds and foolishness of employers in the past' and exist in workplaces because of 'surrendering' or 'capitulating' to unions, a 'situation which is fundamentally improper'. Lawler (1990, p. 65) observed that management absolves itself of poor management by identifying unionism as a 'visible symbol of inefficiency and external threat'.

7. The presence of a union in the workplace enhances our ability to deal with the difficult external environment of the 1990s

Hilmer et al. (1993, p. 31) argued that necessary reforms had not occurred in workplaces because the then legislation supported the 'current pattern of union representation which, in turn, unfavourably affect the performance of enterprises'. This item is the converse of that opinion and the assumptions behind it. Union-enhancement perspectives focus on the argument that unions 'shock' management into adopting more productive techniques focussed on, for example dynamic efficiency and functional flexibility rather than employing other routes to profitability, built on low wages and sweating (Freeman & Medoff 1984; Nolan & Marginson 1990). More recent research suggests that improvements in quality and productivity are considerably more successful where unions are present (Juravich 1996).

8. Collective agreement-making enhances employee commitment to shared goals

This item is related to the issue of employee commitment. As such it represents the antithesis of a statement by Comalco Smelting's Managing Director that people in collective relationships would always work less productively than those in an individual relationship (Davis 1996). Cully, Woodland, O'Reilly and Dix (1999 cited in Edwards 2000) noted that in United Kingdom 'an active and strong union presence' - and thus a collective system - 'is compatible with the broad suite of high commitment management practices', which are both associated with a range of measures of economic performance.

9. The achievement of management goals is compromised when organisational objectives are modified for the sake of getting agreement with a union or employees

This matter was dealt with by Deery and Plowman (1991, pp. 159-60). The role of management in achieving organisational goals through the realisation of labour power is problematic because, where employees are collectivised, managers will be forced to adjust employment practices through bargaining

10. Agreement-making is a necessary evil which impedes the process of managing the organisation

This item reverses a question asked in the Australian Workplace Industrial Relations Survey 1995 (AWIRS 1995): 'Management here believe that the negotiation of a workplace or enterprise agreement is important in achieving the organisation's goals' [69 percent agreed with the statement] (Morehead et al. 1997, p. 133).

11. There is too much third party interference in management from government and unions

Both AWIRS 1990 and AWIRS 1995 addressed the basis of this view in terms of why significant changes cannot be made, identifying among other impediments, unions and government rules/regulations (Callus et al. 1991, p. 204), unfair dismissal laws/legislation and union/delegate resistance. In both cases, only a small percentage of workplaces overall believed that they were impeded by either issue (Morehead et al. 1997, p. 597).

The final dimension of Fox's unitary ideal-type, managers' attitudes towards trade unions, is considered in the next sub-section.

3.6 Attitudes towards trade unions

Those subscribing to a unitarist framework reject the presence of a role for third parties including government, tribunals and trade unions. Trade union presence in the workplace overtly challenges the unitary perspective on organisation. Fox characterised the management perspective as one in which unions intrude into a firm, compete illegitimately for control over employees and undermine the loyalty of employees to the organisation. As Fox indicated, though, management might participate in collective behaviours but only in pragmatic acquiescence with collectivist processes such as negotiation and consultation (Fox 1966a, pp. 373-4). At the same time, management may indulge in ideological power plays to undermine collective representation. At 'Intermotors', a large automobile manufacturing company in the United Kingdom, management openly attempted to 'relabel' the independent role of the union and the industrial relations process:

> The Company recognises Union membership and intends to work closely with our associates' elected representatives ... There is also a requirement for Representatives to influence our thinking on matters concerning terms and conditions of employment and to take a proactive role discussing issues of change affecting the Company and our associates. We do not intend to engage in adversarial negotiation on such issues but instead will seek to ensure that the Senior Reps receive appropriate information to enable them to influence in a meaningful way (McCabe 2000).

These perspectives on trade unions have contemporary expression in Australia. For example, executives at Comalco adopted and executed a planned anti-union campaign aimed at sending 'clear signals to employees that union activities are incompatible with our desired workplace culture'. This was to be achieved by cutting the unions out of the workplace and dissuading employees, especially new employees, from union involvement:

> ... (W)e believe active unionism and commitment to Bell Bay are mutually exclusive; replacing the union presentation at induction with a presentation on the freedom of association and our view of the role of unions; and taking every opportunity to lead employees to question the value of union membership (*Industrial Relations and Management Letter* 1994, p.11).

Collective bargaining was to play no role in management's plans for a 'desirable workplace culture' at Comalco (*Inside Enterprise Bargaining* 1994, p. 7). The perspective offered by Comalco management that collective bargaining is inappropriate for the corporation raises the question whether SME managers have similar views on collective bargaining and other collective arrangements or trade unions. Similar attempts by BHP Iron Ore to introduce individual contracts while the company claimed workers on

individual contracts could remain trade union members, evoked the following response from Justice Gray of the Federal Court:

> The concept of union membership contemplated by the respondent would be a mere shell. It would be devoid of any meaningful benefit to the employees who retained it, because they would be unable to exercise their rights as members to engage in collective bargaining as to their terms and conditions of employment (Federal Court of Australia 2000).

The presence of trade unions may indicate for a unitarist manager an unhealthy situation (Fox 1973, pp. 186-7), and compromise with unions might be regarded as an abrogation of managerial responsibility. A clear example of this mindset was expressed by management during the 1992 APPM dispute in Burnie, Tasmania, when a spokesman for the company stated, 'I accept that in many ways management is to blame for the current state of affairs. We abdicated our responsibility to manage properly when we went through a third party' (*Industrial Relations and Management Letter* 1992, pp. 13-14). Another manager in that dispute asked, 'who has the right to run the operation, us or the unions? We're happy to consult with unions but what we're not looking for is consensus. All we want our employees to do is to work in accordance with their award and to recognise our right to manage the operations' (cited in Thompson 1992, p. 151).

The fourth research question, therefore, is about the values and beliefs SME managers hold with respect to trade unions in their work organisations. One of the features of unitarism, which Fox identified, is the rejection of rival sources of authority, in particular trade unions and professional bodies (Fox 1966, p. 365). The statements in question B4 are designed to flesh out managers' attitudes towards trade unions and are sourced from examples, Godard's survey of Canadian managers, and other texts.

1. Unions are too powerful in Australia

This statement applies to Australia a question in Godard's survey of Canadian managers' ideology, 'Unions in Canada have too much power' (1997, p. 211). This is an ongoing issue in the public arena with Australian opinion polls for decades having addressed the questions of unions having too much power. For example, a Saulwick poll in 1992 found that 62.9 percent supported that view (Social Science Data Archives 2002). It is likewise

an ongoing issue in the United States (Kaufman 2001). Questions about union power have been asked for decades in polls, such as the Gallop poll (Australian Gallup Poll, 1978).

2. Unions divide employees' loyalty to the detriment of the organisation

Salamon (1987, p. 27) identified trade unions being regarded as an outside intrusion into the organisation, and which competes with management for the loyalty of employees, as characteristic of the unitarist perspective. This statement is an extension of comments made by Comalco management: it was argued that 'we believe active unionism and commitment to Bell Bay are mutually exclusive' and that employees 'cannot be both committed unionists and committed employees' (*Industrial Relations and Management Letter* 1994, p.11)

3 Management is at a disadvantage vis-à-vis unions/
4 Unions are unnecessary if management treats its workers properly

The sources of both these items are statements, verbatim, from Godard's (1997, p. 211) survey of Canadian managers' ideology.

5. Ultimately, management has the right not to deal with trade unions

This item is likewise sourced from Godard's (1997, p. 211) Canadian managers' survey, but it has been amended from the wording, 'Management should do everything legally possible to avoid unions'. The Business Council of Australia (BCA) advocated a new system of 'employee relations' removing unions from the employment equation and directly dealing with employees (BCA 1993, p. 14).

6. Without trade unions there would be no conflict of interest between employees and management

This statement is a re-statement of a Comalco discussion paper view that trade unions maintain conflict in the workplace because they owe their very existence to conflict between management and workers. (McDonald & Timo 1996)

7. Trade unions are an impediment to change in dealing with today's environment

Rio Tinto adopted this perspective (Stone 1998, p. 575). Hilmer et al. (1993, p. 19) argued that negative effects of patterns of union representation affect worker productivity, capital

productivity, skill development, adaptability, and 'inhibit innovation, a productive culture and the fostering of mutual interests'. This has been more broadly expressed in this item, retained as being relevant to such commentaries on the need to reform unions. Likewise, Drago et al. (1992, p. 95) concluded that there was no evidence of a positive net effective of unions on performance in Australia.

8.   *Management does not have any moral obligation to deal with unions*

During the 1992 APPM dispute a manager asked: 'who has the right to run the operation, us or the unions? We're happy to consult with unions but what we're not looking for is consensus. All we want our employees to do is to work in accordance with their award and to recognise our right to manage the operations' (cited in Thompson 1992, p. 151). This item is an extension of that perspective. Rights imply moral obligations.

9.   *Union recognition should be a matter for management and employees to decide*

This statement is an extension of the argument mounted by Hilmer et al. for the Business Council of Australia that 'employees and their employers should be able to determine the terms of their employment relationship'. The objectives of such arrangements were transparent in their admission that under their proposals for reform employees 'will have a choice of representation and the arrangements we propose will enable managers to influence that choice' (Hilmer et al. 1993, p. 107; 110).

10.   *Management owes it to the owner/shareholders to do everything possible to avoid unions*

This is another adaptation of Godard's (1997, p. 211) statement, 'Management should do everything legally possible to avoid unions' in his research on managerial ideology in Canada. This wording specifies an obligation to owners or shareholders. It relates generally to union avoidance strategies (for example, Anthony, Perrewe, & Kacmar 1996, pp. 604-12).

11.   *Unions place unnecessary restrictions on effective management of the firm*
12.   *Unions are an impediment to flexibility and productivity*

These statements cover similar grounds. Drago et al. (1992, p. 237), in their study for the Business Council of Australia, concluded from their analysis of the data that the reduction

of restrictive work practices depended on reducing the influence of union officials in the workplace unions promoted adherence to restrictive work practices. These statements reflect that finding. In the neo-classical approach to trade unions and productivity, unions are viewed as an impediment to productivity (Metcalf 1990).

13.   Managers should try and find ways of getting the union out of the workplace

This an expression of union avoidance strategies (for example, Kochan et al. 1994, p. 56). The reasons for adopting such strategies may be neo-classical approaches to the costs of unionisation in terms of potential union wage gains and consequent loss in profits (Kleiner 2001). According to Rechtschaffen (1998, p. 3), a US labour lawyer, the goal of management union avoidance strategies is not 'to convince employees that unions are bad, but to demonstrate that unions are unnecessary in their workplace'.

14.   Unions have their place but not in this company

This item reflects the observations of Kochan, Katz and McKersie (1994, p. 15) that there was a prevalent view among US managers that unions were essential in a democracy, but not necessarily 'in my firm or on my property'.

In the next sub-section, the basis for question B5, which addresses managers' perspectives on the limitation on managing employees.

3.7   Managers' perspectives on the limitations on managing employees

Question B5 asked managers to indicate the extent to which they believe they are limited by a number of factors. Before conducting the data analysis of the question, it was clear that there were both internal and external limitations canvassed by the survey questionnaire. The internal limitations included corporate human resource policy, employee resistance to human resource management and lack of resources. Keen and Vickerstaff (1997) identified a number of constraints on middle managers in adopting human resource management policies and practices in local government, which included lack of resources. Employee resistance to human resource management is implicit in some HR functions such as employee counselling (O'Connor 1999) and unions and their members may resist human resource management initiatives (Kizilos & Reshef 1997). The external limitations included awards, unions, and government legislation. Awards are often identified as

impediments to organisational efficiency (eg, Lund & Wright 2001). Trade unions might push the limits of management prerogative (Jones 1985; Clarke & Haiven 1999). Lund and Wright (2001) argued that state intervention through compulsory arbitration legislation in Australia had an impact on management autonomy within the workplace.

The items in Question 5B (table 3.1), *To what extent do you believe you are limited in how you manage your employees by the following factors*, were derived and adapted from questions dealing with the impediments to introducing efficiency changes asked in AWIRS 1990 and AWIRS 1995. These are relevant to managerial perspectives on the roles of employees and third parties, especially unions, in the impeding the exercise of managerial prerogative, one of the concerns central to the unitarist construct articulated by Fox (1966, passim). This question was added after the interview programme and the conduct of the pilot.

Table 3.1: The sources of items in the question relating to the limits on the exercise of the management function

Question B5: To what extent do you believe you are limited in how you manage your employees by the following factors?		
Items: Question B5	**Typical source of items, including adaptations**	
	AWIRS 1990 (Callus et al 1991, p. 204)	**AWIRS 1995 (Morehead et al 1997, p. 256).**
1. Human resource policy from corporate headquarters	'Management or organisation policy' as a reason for why managers feel they cannot make efficiency changes at their workplace	'Management, head office or government policy' as a reason why significant efficiency changes could not be made
2. Awards	Awards as an impediment to efficiency changes	Awards/agreements as an impediment to significant efficiency changes
3. Unions	Unions as an impediment to efficiency changes	Employee/delegate or trade union resistance as an impediment to significant efficiency changes
4. Employee resistance to your management		Employee/delegate or trade union resistance as an impediment to significant efficiency changes
5. Government legislation	'Government rules and regulations' as an impediment to efficiency changes	'Management, head office or government policy' as an impediment to significant efficiency changes
6. Lack of resources	'Lack of money or resources' as an impediment to efficiency changes	'Financial/economic' impediments to significant efficiency changes

3.8   Consultation Issues

All of the items in questions C1 and C2 (table 3.2) were used in the Queensland and Australian surveys of SMEs conducted by Wiesner and McDonald. These consultation items draw out the practice of managers and are used to measure the links between the assumptions of managers and the practices actually conducted in the workplace. Change issues were explored in AWIRS 1990 and AWIRS 1995 in more general terms. The 1990 items (Callus et al. 1991, p. 193) were:

1. Major change in product or service;
2. Major restructuring of how work is done;
3. New ownership of the organisation;
4. Reorganisation of management structure;
5. Change in management personnel;
6. Major new plant, equipment or technology;
7. Changes to the structure of the workforce.

In AWIRS 1990, specific efficiency and communication changes introduced in the previous five years were delineated. The changes not included in this survey were staff appraisal/evaluation, computer integrated management, and skills audit. Job redesign (item 1, changes to job design and work organisation) and a formal training scheme (item 6, training and skills development) were included.

For the most part, each of the change categories in the Queensland SME survey replicated the 1990 AWIRS items. The AWIRS 1995 categories of change were:

1. New office technology;
2. New plant, machinery or equipment;
3. Reorganisation of workplace structure;
4. Changes to work of non-managerial employees.

The items about which managers might consult with employees were expanded to reflect the complexity of major issues, which confronted organisations in the 1990s. The issue of whether or not a manager consults on a range of matters links directly with the assumptions harboured by those managers about the management of employees.

Table 3.2: The sources of items in the question on consultation with employees

Question C1: In the normal course of your work as a manager do you or would you consult with employees on the following issues and changes?

Items: Question C1	Typical source of items[1]
1. Changes to job design and work organisation	Only job redesign was mentioned in AWIRS 1990 (Callus et al. 1991, p. 193)
2. Quality and cost improvement	'Total quality control', AWIRS 1990 (Callus et al. 1991, p. 193)
3. Plant layout or office design	Combination of items from AWIRS 1995 (Morehead et al. 1997, p. 253)
4. Training and skills development	AWIRS 1990 & AWIRS 1995 (Morehead et al. 1997, pp. 112-13)
5. Reliable customer service and on time delivery	AWIRS 1990 (Callus et al. 1991, p. 193)
6. The financial state of the firm and its market position	Item 6 was varied for clarity from the question in McDonald & Wiesner's Queensland and Australian SME surveys ('The performance of the firm')
7. Corporate planning	The level of management involvement in change is discussed in Callus et al (1991, p. 76) and Morehead et al. (1997, pp. 243-4). This item was included to explore the limits of employee involvement
8. Reliable customer service and delivery	Item 8 modified the original item in McDonald and Wiesner's Queensland and Australian SME surveys ('Market performance') for clarity.
9. Employee amenities	Both of these items were used in the Australian SME survey (McDonald & Wiesner 2000): they were not derived from any particular source.
10. Personnel practices	
11. Major change issues facing the company	Both AWIRS 1990 and AWIRS 1995 addressed specific aspects of organisational change. As this thesis is not a study of organisational change and the focus is on consultation in this question, these items refer only in general terms to consultation on change issues and decisions, and policy decisions
12. Major change decisions	
13. Major policy decisions	
14. Securing enterprise efficiency and productivity	This item was an objective of the Structural Efficiency wage fixing principle from 1988 to 1993
15. Establishing work teams with direct responsibility for setting and achieving targets	Item 15 was appropriated from a question on employment relations practices. The item was omitted in error from the question in the survey on the degree to which managers consult with employees (question C2)

1. All but one of these items (item 15) were part of a question on the degree SME managers consult with employees in the Queensland and National surveys conducted by Wiesner and McDonald.

Question C 2 in the survey replicates the question as asked in McDonald and Wiesner's Queensland and national studies. These management styles are directly relevant to the question of linkages between a unitarist ideology and the management of employees through their involvement or otherwise in the decision-making process. McDonald and Wiesner (1998) adapted Dunphy and Stace's (1992) leadership styles to management. They

categorised management styles as managerialist, participative or mixed, according to the level of consultation on these 14 key issues. These levels as adapted, have been maintained in this survey. They included the following methods of decision-making:

1. Involves widespread employee involvement in decisions
2. Employee consultation with possible limited involvement in goal setting
3. Managerial authority & direction is the main form of decision making
4. Managers initiate & implement change

The methods of consultation applied were those distinguished in the AWIRS 1995 study. Question C3 asked respondents: 'Please tick the relevant box(es) for *one or more* forms of consultation to indicate the type(s) of consultation which took place if you consulted on the matters in questions C1 and C2. If the matters in C1 and C2 did not apply to your workplace, which form(s) would the consultation take if you did introduce them?' All of the options were utilised in AWIRS 1995 in a question on the types of discussions about implementing organisational change (Morehead et al. 1997, p. 543):

1. Informal discussions with those employees affected by change
2. Formal meetings with those employees affected by change
3. Discussions with an established joint consultative committee
4. Discussions with a specially constituted committee established to consider the particular change
5. Discussions with union delegates at this workplace
6. Discussions with full-time union officials from outside the workplace
7. Other discussions
8. No discussions

3.9   Management Practices in SMEs

The questions in table 3.3 are derived from two principal sources: Godard's (1998) survey of Canadian managers and the 1990 and 1995 AWIRS. Both table 3.4 and table 3.5 represent practices, which are largely participative in nature, although they were not identified to the participants as such.

Table 3.3: Sources of question on management practices in the workplace

Question C4: In your time as manager of this workplace have you initiated, increased or maintained any of the following practices and processes in your organisation?

Items: Question C4	Typical source of items
1. An employee involvement/participative programme	Godard (1998 p. 30)
2. Regular work or area meetings (for example, quality circles)	Godard (1998 p. 30); AWIRS 1990 (Callus et al. 1991, p. 193); AWIRS 1995 (Morehead et al. 1997, pp. 190-1)
3. A joint worker-management committee to discuss or implement workplace change	Godard (1998 p. 30)
4. A committee to address specific workplace issues other than safety and health	AWIRS 1995 (Morehead et al. 1997, pp. 192-5)
5. An occupational safety and health committee	AWIRS 1990 (Callus et al. 1991, p. 193); AWIRS 1995 (Morehead et al. 1997, pp. 123)
6. A quality management programme (eg, ISO 9000 quality assurance, etc)	Godard (1998 p. 30) with explanatory comment added.
7. A Just-in-Time inventory system	Godard (1998 p. 30); AWIRS 1990 (Callus et al. 1991, p. 193).
8. Work process re-engineering (redesigning the company's processes, structure and culture)	Godard (1998 p. 30) with explanatory comment added.
9. Job or task rotation	Godard (1998 p. 30)
10. Work in groups, teams, or cells	Mathews (1994), ch 3.
11. A multi-skilling or cross training programme	A cross training programme was added to Godard's item, 'Multiskilling' (1998 p. 30)
12. Job enlargement (viz, increased scope or responsibility level for employees)	Godard (1998 p. 30) with explanatory comment added.
13. Autonomous/semi-autonomous work groups	A modification of Godard's item, '*Autonomous groups*' (1998 p. 30); AWIRS 1990 (Callus et al. 1991, p. 193); AWIRS 1995 (Morehead et al. 1997, pp. 190-1)

In table 3.4, the SME managers were asked to rate the extent to which they employed a set of practices, most of which were participative in nature. The questions are derived from AWIRS 1995, Godard (1998) and McDonald and Wiesner's studies of SMEs.

Table 3.4: Sources of question on participative practices in the workplace

Question C5	To what extent have you employed the following practices in the past 3 years
Items: Question C5	**Typical source of items**
1. A group incentive plan	A more specific element of the AWIRS 1990 version of the item(Callus et al. 1991, p. 193); Godard (1998 p. 30)
2. A profit or gain-sharing scheme	Godard (1998 p. 30)
3. An employee share ownership scheme	Godard (1998 p. 30) refers to an ESOP
4. A knowledge or skills-based pay programme	Godard (1998 p. 30) refers to 'Pay-for-Knowledge'
5. An individual performance based pay system	A more specific element of the AWIRS 1990 version of the item (Callus et al. 1991, p. 193);
6. A group performance based pay system	In AWIRS 1995, respondents were asked: 'Do any non-managerial employees at this workplace receive payments based on some measure of performance…? One of the bases was 'workgroup performance' (Morehead et al. 1997, pp. 221; 531).
7. A bonus system	Bonus systems were included in a broader range of performance related items in AWIRS 1995 (Morehead et al. 1997, p. 530).
8. Line manager makes employee selection decisions (non-managerial employees below leading hand/supervisory level)	Both AWIRS 1900 1995 specifically asked, 'Who would usually make decisions about recruitment of non-managerial employees?' The options included 'A first line supervisor or line manager; 'Most senior workplace manager' and 'Other senior workplace manager' (Moorehead et al. 1997, p. 434). According to Nankervis, Compton & McCarthy (1996, p. 239), final decisions are usually taken by managers or supervisors in the department, which has the vacancy.
9. More senior manager than line manager makes employee selection decisions (non-managerial employees below leading hand/supervisory level)	
10. Other employees (non-managerial employees below leading hand/supervisory level) have input into selection decisions	
11. Line manager conducts employee (non-managerial, and below leading hand/supervisory level) performance appraisal	Options for performance appraisal include appraisal by the immediate supervisor and peer appraisal (Dessler et al. 1999, p. 472).
12. Peer appraisal is practiced at employee level (non-managerial employees below leading hand/supervisory level)	
13. Negotiations and written agreements with employees	These two items were included in a question on workplace negotiations in AWIRS 1995 (Morehead et al. 1997, p. 530).
14. Negotiations and written agreements with unions	

The final series of questions in the survey questionnaire (Part D) referred to the extent of managers' satisfaction with various aspects of the performance of the organisation and the performance of employees. This is considered in the next section.

3.10 The Extent of SME Managers' Satisfaction with Organisational and Employee Performance

A Likert scale was applied to each of the items in this final question (table 3.5). The managers were asked to rate their satisfaction with a number of aspects of the organisation. These items were added after the panels had considered the questionnaire, and the section had not been included in the draft. As Godard (1998, p. 35) observes with respect to the test of workplace reforms, the issue is whether their benefits are perceived to exceed the costs. This approach was applied to the issue of whether or not the managers in SMEs were satisfied both with various aspects of the performance of the work organisation and of the employees. The costs here are evaluated in terms of employees and their behavioural outcomes (Godard 1997, p. 208) as well as in terms of immediate cost - profitability terms. All but one of these questions were sourced or adapted from Godard's Canadian study.

Table 3.5: Sources of question on performance in the workplace

D1: How satisfied are you with the following aspects of your workforce and your firm's performance? Please tick the box under the appropriate heading

Items: Question D1	Typical source of items
1. Employee morale	Godard (1998, p. 27) referred generally to 'worker attitudes'. This is one of a number of related items
2. Employee commitment to organisational goals	Godard (1998, p. 27) referred generally to 'worker attitudes'. This is one of a number of related attitude items
3. Employee turn-over	Questions regarding employee turn-over were asked of managers in AWIRS 1995. Performance indicators identified by the federal Department of Industrial Relations (DIR 1993, pp. 59-65) included 'human resource indicators', among which were specific cases of employee turn-over
4. Employee attention to quality of service or product	Godard (1998, p. 27) was less specific than this, referring to 'product quality'.
5. Organisational profitability	Godard (1998, p. 27)
6. Employee absenteeism	Godard (1998 p. 27)
7. Accident rates	Questions regarding accident rates and stress were asked of employees in AWIRS 1995 but not of managers. Performance indicators identified by the federal Department of Industrial Relations (DIR 1993, pp. 59-65) included 'human resource indicators', among which were specific cases of employee absenteeism.
8. Employee stress	
9. Employee loyalty to the firm	Godard (1998, p. 27) referred generally to 'worker attitudes'. This is one of a number of specific attitude items
10. Employee cooperativeness	Godard (1998, p. 27) referred generally to 'worker attitudes'. This is one of a number of specific attitude items
11. Employee willingness to complete tasks on time	Godard (1998, p. 27) referred generally to 'worker attitudes'. This is one of a number of specific attitude items; it is also a productivity issue.
12. Wastage rates (or damage to equipment, if you are a service organisation)	Godard (1998, p. 27) referred generally to 'worker productivity'. This is one of a number of specific productivity items.
13. Necessity for reworking (or re-doing tasks, if you are a service organisation)	Godard (1998, p. 27) referred generally to 'worker productivity'. This is one of a number of specific productivity items.
14. Employees' customer orientation	Godard (1998, p. 27) referred generally to 'worker attitudes'. This is one of a number of specific attitude items
15. Employees' interest in the work	Godard (1998, p. 27) referred generally to 'worker attitudes'. This is one of a number of specific attitude items
16. Employees' pride in the firm	Godard (1998, p. 27) referred generally to 'worker attitudes'. This is one of a number of specific attitude items
17. Employees' pride in their work	Godard (1998, p. 27) referred generally to 'worker attitudes'. This is one of a number of specific attitude items

This series was included because it rounds off the examination of managerial attitudes.

3.11 Summary

This chapter followed on from the general discussion of ideology and that of the unitarist ideology. Its purpose was to provide thoroughly and systematically for the four principal dimensions of Fox's unitarist ideal-type, the sources in either the literature or the public domain for each of the questions developed for the survey questionnaire and for each of the series of questions on consultation, the perceived limitations on managing employees, management practices in SME workplaces, and the extent to which managers were satisfied with the performance of the organisation and of employees, in particular.

In chapter 4 the methodological aspects of the study are addressed.

CHAPTER 4: METHODOLOGY

4.1 Introduction

In chapter 2, industrial relations research was characterised as being problem-centred practically oriented, and an applied field[14]. As such, industrial relations is a field, which has been characterised by 'epistemological anomie' and there is no 'safe house' of a general theory of industrial relations (although this statement could be applied to sociology and economics where different schools adhering to different and often competing paradigms are represented). The danger in this for industrial relations scholars, according to Kelly (1991, pp. 2-3), is scholastic diffusion and 'mere description masked as analysis'. British industrial relations was criticised in the 1970s for mere 'fact-finding and description rather than by theoretical analysis and generalization' (Bain & Clegg 1974, p. 103). Similar criticisms were made of 1970s industrial relations qualitative research, which, was said to be a-theoretical and descriptive (Lewin & Feuille 1983, pp. 357-8).

In this thesis, the problematic of management is narrowed down to the question of the values and beliefs which guide managers in small and medium sized enterprises (SMEs) in dealing with employees, that is, their ideology, and whether that ideology is unitarist. Managers' perspectives on the management of employees may be rooted in class or social relations. However, while recognising these factors might permeate the manager's construction of the relationship between management and employees, this thesis is drawn to the ideology itself and the research question as to whether Fox's (1966a; 1966b; 1971; 1973; 1974a; 1974b) conceptualisation of unitarism is to be found in SME managers' attitudes towards managerial prerogative, conflict, collective workplace relations and trade unions.

Managers' beliefs and values may be shaped by a number of social class and other relations, not the least of which are the assumptions of employers and the functions of capitalist institutions, including the firm. As indicated here and in chapter 2, the scope of the research on SME managers' ideology does not proceed to these wider, important

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[14] Section 2.4

issues, beyond noting in chapter 2[15] that it is not safe to assume that the interests and therefore the ideologies of managers are at one with those of employers or owners of businesses. However, the research will draw some conclusions about the relationship between such independent variables as the educational qualifications, gender, source of management ideas, whether the manager is an owner, and the manager's age.

Unitarist values and beliefs emerge within their socio-political environments and the institutional contexts for management. Some managerial ideologies might be generated in societies that value above all the application of democratic principles in all social institutions. Where there is ambivalence about power sharing in decision-making or limited perspectives on the scope of democracy managers could express a commitment to democracy, but that commitment might not lead to incorporating democratic processes into the organisation. Beliefs and values and the managerial behaviour, which follows from their application, are a product both of individual managers' perspectives and socio-political ideology about work organisations. While recognising that managers develop approaches to the management of employees, which are shaped by and within these contexts, the thesis does not explore the socio-political and institutional environment because of the focus on unitarism. This is a significant limitation on the scope of the research.

4.1.1 Arrangement of the chapter

While the research for this thesis has been placed within a growing literature on management in industrial relations research, the paradigmatic context of the work has not been clearly identified, although the emphasis upon ideology might suggest a number of possible directions which the thesis could take. The ontology and epistemology of the study will explore in section 4.2 the issues associated with the paradigm into which the research this thesis falls.

In section 4.3, research design is considered. The question of deciding on an appropriate methodology is discussed and the quantitative-qualitative research issue explored. Both qualitative and quantitative methodologies are applied in this study and the strengths,

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[15] Sub-section 2.7.6

weaknesses and design are outlined. The validity of the quantitative data is reported in section 4.4. Reliance for both content and construct validity is placed on the literature. In chapter 3, the sources in the literature and the public domain for each question in the survey were indicated thoroughly and comprehensively since the application of Lawshe's method for establishing content validity was problematic. The reliability of the data is established using Chronbach's method in section 4.5. The size of the sample is found to be adequate for the analysis in section 4.6. The application of the statistical package employed for the analysis is briefly described in section 4.7 and in section 4.8, the statistical techniques applied in the analysis are indicated. The final section in this chapter is a summary of the material.

4.2   The ontology and epistemology of the study

The purpose of this section is to explore and identify the ontology and epistemology of this study. This is a key task in the development of the research design since the 'researcher', whether or not methodologically self-conscious, is guided by distinctive ontological and methodological benefits (Hyman 1994, p. 167).

The discussion of the paradigmatic considerations of the research undertaken is significant for five reasons. First, it is particularly relevant for an industrial relations researcher in the context of the search for theory, which has characterised industrial relations as a field. Second, it is especially pertinent because this study deals with ideology. Social science, including the field of industrial relations, has its own sets of ideological roots and dimensions (Gouldner 1970, pp. 40-1; Marsden 1982, p. 235; Strauss & Whitfield 1998, p. 17).

Third, there has been a debate in industrial relations about whether there has been a 'new' industrial relations or a 'paradigm shift' in industrial relations (Dunn 1990, 1991; Keenoy 1991; Sisson & Marginson 1995, p. 106-7). There is no agreement in the industrial relations literature on the paradigmatic status of the field. Chelius & Dworkin (1990, p. 16) argued that industrial relations appears to be in a 'pre-paradigm' phase. Others suggest that there exists a number of competing paradigms in industrial relations. Industrial relations theories are viewed by some as the application of one or more parent

disciplines such as economics, sociology or psychology or three integrated 'conceptual frameworks' based upon different fundamental concepts: a Marxian approach; the concept of industrial government; and the concept of industrial relations systems (Walker 1997, p. 110-11). This is not the only form that different paradigms might take. Schienstock (1981, p. 170) applied three alternative theoretical approaches to industrial relations: the systems model, action theory and politico-economic or Marxist approaches. Cappelli (1985, p. 107) suggested that existing paradigms no longer provide adequate explanations for the fundamental changes, which have been said to transform industrial relations.

Fourth, it might be that since industrial relations as a field or discipline is not dependent on any particular methodology it is characterised by a 'diluted epistemology' (Kelly 1991, p. 3). Kelly regards this a 'great and unique strength', whereas Marsden (1982, p. 236) placed industrial relations in a 'curious "no-man's land" within social science territory', while asserting that 'an interdisciplinary approach is rarely in evidence'.

Alvesson (1991, pp. 208-9) raised a fifth significant issue, which can be applied to the field of industrial relations. He argued that, if we are to have a deep understanding of the knowledge produced in social science[16], and are to have greater awareness of the implications of our research, it is necessary to appreciate that ideology not only might drive managers' choices and practices in managing employees, but that it also fuels the research questions, perspectives and focus of theoretical and empirical studies (also see Lincoln 1990, pp. 81-2; Kelly 1991, p. 1). Keenoy (1991, p. 321) suggested that such reflection was rare in industrial research.

The purpose of this section, therefore, is to explore in a reflective way the paradigmatic 'home' of this study.

4.2.1 Paradigmatic considerations

The term, paradigm, popularised by Kuhn (1996) in 1962, has been criticised for its imprecision (Phillips 1987, p. 22; Deetz 1996, p. 191), and is often 'used as some vague

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[16] In applying the term, 'social science', which Alvesson here uses, it is not my intention to subsume industrial relations into a sociological framework; rather it represents a catch-all term, which includes industrial relations research on work and organisations.

justification for simply having a point of view rather than encouraging reflection on the validity and sustainability of this opinion' (Collins 1996, p. 14). By 'paradigm' is meant a commonality of perspectives or way of thinking which reflects a set of fundamental assumptions about the phenomena researched, and binds the work of a group of theorists together (Burrell & Morgan 1979, p. 23; Smircich 1983, p. 360; Gioia & Pitre 1990, p. 585; Schultz & Hatch 1996, p. 529; Collins 1996, p. 14). From these beliefs and values flow the research questions, methods and explanations (Smircich 1983, p. 360). Kuhn (1996, p. 10), in summary, identified two key characteristics of a paradigm. First, a research field attracts 'an enduring group' of researchers away from one or other competing modes of research. Second, the research field is sufficiently 'open-ended' to provide problems for the redefined group to resolve. Whether there is such a paradigmatic community in industrial relations is a moot point. As Wood (1978, p. 49) noted, 'the subject still remains highly fragmented'. Over a quarter of a century on, this observation still has currency. Theorists may have a set of 'taken-for-granted, unexamined assumptions shared by communities of scientists, who confine their attention to small-scale puzzle-solving within the bounds of those assumptions' (Giddens 1993, p. 149). While not referring to paradigms specifically, the organisational writer, Smircich (1983, p. 340), caught the concept in Burrell and Morgan's terms of 'the range of assumptions about the ontological status of social reality — the objective-subjective question and a range of assumptions about human nature — the determinist-voluntarist question'. These dichotomies will be discussed further in sub-section 4.2.2, below.

Paradigms are thus constructs subscribed to by the researcher in the field. The basic belief systems and values of researchers determine the starting points, or the givens, which determine what inquiries are to be made and how the research is to proceed. These 'boundaries' of theory are based on an idiosyncratic production of 'the theorist's creative imagination and ideological orientation or life experience' (Bachrach 1989, p. 498). Paradigms for researchers thus consist of their responses to ontological questions about the nature of knowledge or reality, epistemological questions about the nature of the relationship between the inquirer and the known or knowable, and methodological issues which go to how the researcher finds out the answers to the ontological and

epistemological questions (Guba 1990, pp. 18-19). This discussion is thus singularly significant for the development of the research design, and raises the question of research and the both the values and beliefs of the researcher. Beliefs and values will be subsumed into the term, values in the subsequent discussion in the next sub-section.

4.2.2 Research and values

Mannheim (1936, p. 72) addressed the methodological constraints arising from the researcher's ideological perspectives by urging researchers to attempt to overcome these constraints with value free analysis because, he argued, value judgements can lead to normative positions. A normative set of findings does not *necessarily* follow from the researcher's own assumptions, however Burrell and Morgan (1979, p. xiii) noted that it is important that social theorists be fully aware of the assumptions upon which their own perspective is based in order to understand alternative perspectives. This point is taken further by Alvesson (1991, p. 213), who argued that better quality knowledge can also come from the researcher's recognition and awareness of the paradigm-bounded nature and ideological dimension of the researcher's own work.

Kochan (1998, pp. 37-39) observed that the primary feature which distinguishes industrial relations from other disciplines lies in 'the normative assumptions and perspectives that underlie our conceptualisation of the employment relationship' and that this flows from the assumption of various perspectives on the employment relationship that there is an underlying conflict of interests between workers and employers.

Of itself, a focus on any fundamental conflict that might imbue the relationship between workers and employers does not necessarily lead to normative research. Nonetheless, Strauss and Feuille (1978, p. 275) noted that 'industrial relations' founders were reformers, if not radicals'[17]. Indeed, Barbash (1997, p. 17) observed that 'Industrial Relations as an academic field is best understood, I suggest, as problem solving on behalf of equity in the employment relationship', introducing an ethical concern in the study of industrial relations. Other writers have taken up this point. Ackers (1994), for example, argues that without a focus upon industrial democracy and employee rights and

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[17] This was discussed in chapter 2, section 2.4, 'The intellectual traditions of unitarism'.

'fair shares', industry and society will become despotic and amoral. He argues that industrial relations should provide a challenge to the exploitative and inhuman features of unregulated capitalism. For him, equity is a core value and he adopts a normative stance, observing that ethical industrial relations must be conducted within a pluralist social justice framework for employees, implicitly rejecting the trends towards individualism in the employment relationship. This has led the author of this thesis to reflect on the ethics of the Coalition Government's *Workplace Relations Act* 1996 (McDonald 1997).

Not all industrial relations scholars would accept that industrial relations is, or should be, normative. Dabscheck (1995, pp. 4-5), for example, warns against the negative impact of normative industrial relations. He argues that it is possible to construct positive statements, which are concerned with change without being normative. He warns against research bias as an impediment to developing an understanding of how 'the real world operates', and asserts that such an understanding of the problematic of bias enhances the ability to realise a desired objective.

However, this thesis proceeds on the assumption that value-free research is impossible and that methodological or theoretical neutrality is illusory (Morgan 1983a; p. 14; Mészáros 1989, p. 233; Alvesson 1991, p. 209). Mészáros (1989, p. 234) would further argue for research which acknowledges 'the legitimacy of contesting the given order of society in *substantive* terms' in the construction of research instruments (emphasis in original). Marsden, in a critique of empiricism in industrial relations, argued that observed facts do not have an independent existence. They are the product of a theoretical framework:

> Empiricists tend to assume that theory will somehow arise from the facts like 'steam from a kettle'. But facts are never given they are selected or produced by theory. Facts might not be given to observation, but *ideology* is … There *is* an empiricist process of knowledge and it takes place in ideology. Immediate, non-theoretical knowledge is a central aspect of commonsense knowledge or ideology (Marsden 1982, pp. 234-5, emphases in original).

Later he argues that 'A-theoretical observation only serves to reproduce ideology' (p. 235). Breuer, Mruck and Roth (2002) note that there is much evidence in the history, philosophy, sociology, and psychology of science that personal, social, and local factors

influence the research process and its results. Their sub-text is that standardised methods of data collection and interpretation cannot eliminate subjective and local influences in research and the analysis of findings. The question of how data is collected and analysed raises the issue for the appropriateness of the methods employed in research. The next sub-section addresses the question of what methods are appropriate for critical research.

4.2.3 Critical research

Harley (1999, p. 2-3) argued that there is a place for quantitative analysis in 'critical organisation studies'. He defined critical organisational studies, following Clegg and Hardy (1996 cited in Harley 1999), as 'involving the study of organisations with reference to empirical features, theoretical discourses and social processes'. He proposed critical organisational studies as an alternative to orthodox organisation studies which, he argued, are characterised by both a perpetuation and legitimisation of managerialism in work organisations and positivism in the study of workplaces. Certainly, this industrial relations research on managers in SMEs does not seek to perpetuate and legitimise managerialism from a positivist perspective. The study does seek to identify and explain what underwrites management behaviour through investigating the applicability of the unitarist ideology.

Whatever course the researcher adopts will depend upon the perspectives that he or she brings to the research task. Those perspectives may arise in the personal context of social and political commitments to which the research adheres (Gouldner 1970, p. 41) and which influence the determination of the frame of the research problematic. The study of the ideology of managers is as much a reflection of the author's wider research interests in industrial relations and in the study of management practices in SMEs as it is borne out of twenty years of union activism, including a decade of actively dealing with managers from the ideological perspectives of a union official. As Turner (1996, p. 1) puts it: 'Social theory is made with the heart as well as the head'.

Nevertheless, personal history is not sole driver of this research. An industrial relations perspective on management and organisations also broadly informs the design and analysis of the research reported in this thesis. The genesis for the research questions is

the established unitarist framework of Alan Fox (1966a; 1966b). Fox's categories of managerial behaviour – unitarist, pluralist and radical - constitute are an influential framework for analysing management behaviour field as evidenced by the iteration of unitarism in industrial relations and human resource management texts in Britain and Australia. This categorical framework also has a critical underpinning. Fox observed (1969, p. 390) that 'unrealistic frames of reference exist which distort reality and thereby prejudice solutions' to the problems of industrial relations, and asked:

> … why employers and managers commonly supposed to be hard-headed and practical should subscribe to a 'unitary' view of industrial organization which is so much at variance with demonstrable facts. Why do so many of them retain an ideology which seems mere sentimental illusion? (Fox 1969, p. 394).

An empirical instrument, such as the survey employed in this study, exploring the attitudes of SME managers and utilising a Likert scale, forces the articulation of values and beliefs, but within the limited framework established by the researcher. As theory is being tested the questions are guided by the constructs being tested. The researcher's perspectives in this way mediate the questions asked and put in place the boundaries on the scope of the research. The 'background assumptions' provide some of the bases of choice linking together 'postulations' (explicitly formulated assumptions), which influence a theory's formulation and research (Gouldner 1970, p. 29). Likewise, the problem-centred, practical orientations of industrial relations will influence the research questions.

So, in practical terms, the selection of any research focus — in this case, Fox's construct of the unitarist ideology — will be influenced by the assumptions harboured by the researcher about the research question. For example, the point of view that the way managers think about and enact the management of employees is problematic for workplace industrial relations will be significant for what questions the researcher asks about the ideology of managers. Contrast this with human resource management (HRM), which proceeds from the assumption that the behaviour of employees is problematic. Consequently, HRM writers provide a set of normative frameworks for

dealing with employees[18]. Assumptions about power and control could lead to contradictory conclusions about negotiating power, for example. One of the key emphases in industrial relations is the issue of control. This is not the only industrial relations perspective, but the one, which is assumed by many industrial relations researchers – including this author – to be a salient aspect of relations in the workplace (Hyman 1975, p. 12; Dabscheck 1991, p. 8; Kochan 1998, pp. 37-9).

Studies of managerial ideology on the one hand might invite the researcher to take a critical position with respect to the management of employees. On the other hand, the researcher might endorse normative solutions to management problems from a managerial perspective. Alternatively, a normative industrial relations can be characterised by either pluralist or Marxist variations on critiques of the employment relationship, producing an 'unresolvable debate' among the different adherents about the 'enduring conflict of interests … between workers and employers in employment relationships' and their practical implications (Kochan 1998, pp. 37-39).

The industrial relations researcher, therefore, can approach the study of the assumptions of managers in SMEs about managing employees with the objective of identifying a problematic and drawing conclusions which legitimate the status quo or by both explicitly and implicitly identifying the need for change to the way managers think about and actually manage their employees. Either course has implications for the researcher's approach to any study of management. Much managerial and human resources literature normatively legitimates management and organisational structures. The researcher is, therefore, confronted by a real choice of which the researcher in the industrial relations of management, as Alvesson (1991, p. 213) argues, needs to be aware. The language of human resources, employing terms such as 'best fit' and 'best practice' in the management of labour, for example, is inherently normative (Boxall & Purcell 2000), contains prescriptions for success (Gibb 2001), and is positivist (Townley 1993). Keenoy (1999) criticised HRM as constituted by 'normative-descriptive discourses', which applied alternatives to pluralistic industrial relations about how employees ought

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[18] Stone (2002, p. 4), states, for example, 'HRM is either part of the problem or part of the solution in gaining the productive contribution of people.'

to be managed. For Godard and Delaney (2000), the normative thrust of high performance work practices and HRM is to replace unions and collective bargaining as mainstays of management-employee relations, what Rose (1994) called a normative breakdown. Organisational research can also be openly positivistic and normative by being 'pervasively concerned with the promulgation of practical knowledge', having a preoccupation which reveals itself in the widespread concern with organisational effectiveness (Bryman 1989, p. 4).

Normative solutions and prescriptions will be based upon foundations, which may support or reject collective arrangements in the workplace. Rimmer (1995, pp. 73-4) argues that the adoption of a normative role is not the researcher's function, 'whose task it is to explain the actual behaviour of management, unions and employees'. Such a research emphasis carries with it the danger of an industrial relations which projects unitary characteristics. Deetz (1996, p. 203) observed that

> deeply embedded, and often uncontested, in functionalist/normative studies has been the acceptance of managerial bias in conception of the organization and articulation of organizational goals. The justification for this approach to research has often been grounded in a conception of corporations and management as a kind of value-neutral tool which scientific study can improve without attention to the uses to which this tool has been applied.

The pervasiveness of managerially oriented studies of work organisations and solutions to work problematics, which are based upon unquestioned assumptions about the value-ridden nature of power relations, clearly point to the need for a reflective researcher to examine and evaluate his or her assumptions about the field of management-employee relations.

Are the choices the researcher needs to make mutually exclusive? Some researchers such as Gioia and Pitre (1990, p. 591) and others (eg., Schultz & Hatch 1996, pp. 529-30) argue that multi-paradigmatic approaches offer the possibility of fresh insights. Lincoln (1990, p. 81), however, asserts that accommodation between paradigms is impossible since the rules for action, process, discourse and what is considered knowledge and truth differ substantially, leading to diverse, disparate, distinctive and antithetical ends. This perspective reflects Burrell & Morgan's (1979) position on

paradigmatic 'incommensurability', although Morgan (1983b, p. 379) later advocated 'a theoretical pluralism in which organizations are studied on the basis of different paradigms and metaphors'. Black (1993, p. 3) referred to complementary paradigms whereas Frenkel talked about these issues in terms of 'single-strand' and 'multistrand' schools of thought on theory and methodology:

> The multistrand approach rejects the view [eg., of positivists] that any one theory or methodology is inherently superior, rather it contends that different theories and methodologies can be judiciously combined to throw light on, and explain, designated aspects of society (Frenkel 1986, p. 117).

For Deetz, paradigms are both commensurable and incommensurable. He argued that it is the struggle to maintain coherence that separates paradigms, but as researchers deal with an 'ultimately indeterminate outside world' their paradigms are brought together (Deetz 1996, p. 193). However, elsewhere in that paper, critically referring to the adoption of different perspectives across different forms of discourse, he concluded that 'Good scholars have deep commitments". He added that applying a range of perspectives 'often leads to shallow readings and uses of alternative orientations, since unexamined basic assumptions have unexpected hidden qualities' (Deetz 1996, p. 204).

The author's subjective decisions about the selection of the research topic, his personal academic interests, which have given rise to the consequent research questions, and his assumptions about the world, which generate those interests, are all significant in the research directions of this thesis. Thus, the fundamental orientation of this research on managers in work organisations (SMEs) is not to address how employees might be managed in order to sustain the management structure and satisfy managerial interests and the ideology, which underpins that interest. It is the very purpose of the management task itself and the managerial processes adopted by SME managers that are the objects of this research rather than an ideological objective to uphold the management task. In summary, the research topic of this thesis addresses managers and how they manage employees from a critical perspective. Critical perspectives on management are considered in the next sub-section.

4.2.4 Critical perspectives on management

In this thesis, the author does not intend to iterate managerialist perspectives on the role of managers through the employment of quantitative techniques in surveying a population of SME managers. Indeed, by testing for Fox's unitarist framework, this author assumes a critical mantle with respect to forms of management which fit unitarism, both at the level of values and beliefs and at the level of process in managing employees. This reflects Fox's and others' concerns about managerial ideology, and leads to an analysis which seeks to identify and explain managers' taken-for-granted assumptions in the management of employees. Indeed, in considering managers' underlying beliefs and values, which provide the subjective context for managerial actions, managers' ideology becomes the subject of this research. The directions of the critical undercurrents of this research on the assumptions of managers, addressed by this study, take on Smircich's (1983, p. 355) dictum that 'an appropriate role for both those who study and manage organizations is not to celebrate organization as a value, but to question the end it serves'.

If this research on managerial ideology is to approach the management of employees at the level of values and beliefs (ideology), where does this research fit in Burrell and Morgan's account of the major paradigms in social research? In their paradigmatic grid (figure 4.1), the vertical axis focuses on issues of conflict and domination as opposed to the maintenance of order. Horizontally, the concern in these quarters is for subjective interpretation, as opposed to objective facts (Collins 1996, p. 14). The focus on ideology concentrates on the subjective interpretation of managers, particularly with respect to the assumptions assigned to the processes of managing employees. Thus, in general terms, there is a concern with managers' interpretations of their role in managing employees and their social actions within the organisation from a perspective which is represented on the left hand side of the grid (Collins 1996, pp. 14-15). At the same time, the vertical axis reflects the concern of industrial relations with control and conflict in the upper sections.

Figure 4.1: Burrell and Morgan's Paradigm Grid

Sociology of radical change

Radical Humanist	Radical Structuralist
Interpretative	Functionalist

Subjective ... **Objective**

Sociology of regulation

Source: Burrell, G. & Morgan, G. (1979), *Sociological Paradigms and Organisational Analysis,* Heinemann, London, p. 22.

The answer to the question - Into which paradigm does this thesis fall? - might be partially reached by exclusion. The author's rejection of the possibility of value-free research suggests that this work is not functionalist in intent (Gouldner 1970, pp. 333-37).

Determinism does not challenge the concepts of the immutability of managerial and organisational power relationships, or questions of authority and legitimacy, which might be addressed in a focus on the ideational foundations of managerial and organisational perspectives. A challenge to the taken-for-granted assumptions about management in work organisations is implicit, if not explicit, in the selection of the unitarist ideology for theory testing in this thesis.

The wish to avoid a functional perspective does not, of itself, exclude the research from being functional or positivist. What excludes this study from that paradigm is, first, its avoidance of affirming the assumptions of the status quo. Second, the rejection of a functionalist perspective arises from the topic selection. Fox, and Ross before him, referred to unitarism within a critical perspective within which they advocated an alternative ideological framework for managers and their organisations to the unitarist framework. There remains, nevertheless, some difficulty in fitting this thesis into Burrell and Morgan's ideal type of the paradigmatic choices available to social researchers. Is a concern with managerial ideology interpretative, or does it fit the radical humanist paradigm, or even the radical structuralist quadrant; or does it contain elements of all three? To squeeze the values and assumptions underlying this research into Burrell and

Morgan's paradigm grid may lead to misrepresentation of the underlying meaning of the research effort (Deetz 1996, p. 192).

Gioia and Pitre (1990, pp. 595-7) suggested a solution for the paradigmatic complexities and ambiguities suggested in this discussion. They referred to an alternative notion that researchers might 'bridge paradigms' at a 'metaparadigm(atic) level', suggesting that there are 'blurred transitions' between each of the paradigms in the social sciences. They argued that a researcher takes up elements of each. This leads to a consideration of the possibility of a 'multi-strand' adoption of characteristics of different paradigms, as Frenkel (1986, p. 117) suggested. This might have some relevance for industrial relations, which involves influences from a number of disciplines, raising diverse questions and applying different methods, including psychology, sociology, economics, institutional industrial relations and labour history (Strauss & Whitfield 1998, pp. 16-17). However, as the subsequent discussion indicates, this is not merely a matter of the philosophy and ideology of research as captured in Burrell and Morgan's paradigmatic grid (figure 4.1). Before further considering their perspectives or the options for research paradigms, some alternative approaches towards Burrell and Morgan's approach will be considered. Deetz (1996) found Burrell and Morgan's categorisation of research paradigms problematic and suggested an alternative reading of research choices.

According to Deetz, the subjective/objectivist dichotomy of Burrell and Morgan's construction of research paradigms constrains the conception of 'objective' science characterised by codified and quantified studies (Deetz 1996, p. 193). Deetz argued that other topics are more interesting: 'What warrants exploration is the subjectivity and implicit desire to dominate others and nature, rather than the objectivity, of the "objective" research programs'. The ideology of managers, addressed by this thesis, is an all encompassing subjectivity. The use of survey methodology in this work is not an attempt to be objective of itself, but to ascertain the degree to which a given managerial ideology - unitarism - permeates the values and beliefs in a population of managers.

There are competing perspectives on epistemology arising from Burrell and Morgan's depiction of paradigms. In a critical analysis of Burrell and Morgan's contribution to the

discussion on social science paradigms Deetz further argued that the subjective-objective orientation itself reproduces a neo-positivist philosophy of science (Deetz 1996, p. 194). Morgan and Smircich (1980, p. 492) developed another alternative. They were critical of the limitations of the interpretive and functionalist paradigms, and produced a subjectivist-objectivist continuum based on a range of six ontological assumptions and assumptions about human nature. Each approach has a particular epistemological stance ranging from the objectivist construction in positivist science where reality is regarded as a concrete structure to subjective phenomenological insight and revelation.

Deetz's alternative to Burrell and Morgan's paradigmatic grid distinguishes between agreement/disagreement and unity/difference as forms of consensus and dissent[19] respectively. Rather than the axes of subjectivity/objectivity and regulation/radical change, the consensus/dissent axis in his paradigmatic model reflects the functionalist concern with order and regulation. He explained that consensus and dissent should not be understood as agreement and disagreement respectively. His intention was to emphasise unity or differentiation (Deetz 1996, p. 197). Deetz describes research consensus in the following terms:

> The consensus pole draws attention to the way some research programs both seek order and treat order production as the dominant feature of natural and social systems. With such a conception, the primary goal of the research is to display a discovered order with a high degree of fidelity or verisimilitude. The descriptions hope to "mirror" entities and relations that exist out-there in a relative fixed state reflecting their "real" character. Language is treated as a system of representations to be neutralized and made transparent, used only to display the presumed shared world. Existing orders are largely treated as natural and unproblematic. To a large extent through the highlighting of ordering principles, such orders are perpetuated. Random events and deviance are downplayed in significance in looking at norms and the normal, and attention is usually to processes reducing deviance, uncertainty and dissonance. In most cases where deviance is itself of attention it tends to be normalized through looking at the production of deviant groups (i.e., other orders). Conflict and fragmentation are usually treated as system problems, and attention is given to how orders deal with them in attempts at maintenance (Deetz 1996, p. 197).

Not only does this description of this research orientation fall clearly within the concerns of functionalist quadrant of Burrell and Morgan's typology, but also it closely reflects Fox's characterisation of the unitarist framework itself. To analyse the values and beliefs of managers from such perspectives would serve only to reinforce the normative

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[19] I cannot bring myself to accept Deetz's corruption ('dissensus') of the word 'dissent'.

managerialism implicit in unitarism. Deetz (1996, p. 203) also notes that 'in functionalist/normative studies [there] has been the acceptance of a managerial bias in conception of the organization and articulation of organizational goals'. From an industrial relations perspective, which acknowledges the processes of control over work relations (Hyman 1975, p. 12), and the struggle, conflict, tension, and domination (Deetz 1996, p. 197-8) inherent in the power relations in the workplace, such a research orientation would be logically inconsistent.

The difficulty of placing this research in its paradigm can be seen when one looks at the organisational culture literature. The relevance of this field in the discussion is only that concepts such as ideology or culture are in the ideational realm of organisational life. Analytical metaphors such as organisational culture, for example, are said to be rooted in a dominant concern for the problem of social order in organisations (Smircich 1983, p. 341), which would place organisational culture in either the functionalist or interpretive paradigms. Research runs the risk of normative iteration of the status quo if the researcher's dominant focus is on the maintenance of order in the organisation. This risk also arises if the 'guiding aim and abiding concern' or corporate culture 'is to win the "hearts and minds" of employees and to define their purposes by managing what they think and feel, and not just how they behave' (Willmott 1993, p. 516), through organisational rituals, corporate myths and stories, and arcane jargon (Gregory 1993, p. 359).

The functionalist or interpretive approaches are consonant with what Fox (1966b, p. 395) referred to as the three purposes of ideology. The first is a form of 'defensive reassurance' in the managerial role. The second purpose of ideology is to persuade employees in particular of the unitary nature of organisation. Third, ideology legitimises the status quo of organisation: that, despite the question of the domination of employees by management, the interests of managers and employees are identical. Insofar as Willmott's (1993, p. 517) account of the objectives of organisational culture refers to a managerialist and ideological phenomenon, this point is pertinent to the thesis. While this orientation would suggest this thesis could be adopting a functionalist characteristic of organisational culture, Denison (1996, p. 619) argues that cultural studies represent a

'rebellion' against the functionalist/'scientific' paradigm. Schultz and Hatch (1996, p. 531) noted the presence of such paradigmatic disagreements in organisational culture studies.

The differences in theory-building for the interpretive and functionalist paradigms are to be found in the researcher's goals, their theoretical concerns and theory-building approaches. Theory building in the interpretive paradigm aims to describe and explain in order to diagnose and understand with a theoretical concern about the social construction of reality, reification, process, and interpretation. The functionalist paradigm consists of a search for regularities and testing in order to predict and control (Gioia & Pitre 1990, p. 591; Collins 1996, p. 16). In not including a focus on the historical, social and political contexts of management ideology, the study runs the risk of falling into a structural-functional framework, which emphasises the rationality of management goals for the organisation and the impact of irrational human factors on the management function (Gregory 1983, pp. 361-2).

While the view of industrial relations set down in this thesis would be inconsistent with models emerging from the functionalist paradigm, it does not appear to be inconsistent with the interpretative paradigm. On the one hand, Morgan and Smircich (1980, p. 492) suggest that ideological perspectives emphasising order and regulation at the expense of ignoring modes of domination, conflict and radical change are shared by both functionalist and interpretive paradigms. It is difficult to fit a study of the ideology of managers within the domain of industrial relations into either the functional or interpretive paradigm. On the other hand, this study is concerned about the social construction of reality (ideology) and managerial process (managing employees). The managerial process from an industrial relations perspective is about the structures and socially produced means of control, which managers reproduce (Storey 1985, p. 197).

As indicated, the selection of unitarist managerial ideology as a topic suggests the adoption of a critical perspective. This further suggests that the thesis is consonant with the radical humanist goals of describing, to critique and to understand (Collins 1996, p. 16), with a focus in common with a critical concern for the social construction of reality,

distortion (not considered in this thesis, as indicated in chapter 2), and managerial interests (Gioia & Pitre 1990, p. 591; Collins 1996, p. 16). The selection of managers' ideology as a topic for research is to identify a subjectivist ontology, which emphasises the values and beliefs of some SME managers about their task of managing employees and the choices they make in running the organisation. This favours an epistemology emphasising the importance of understanding how social reality is created (Morgan & Smircich 1980, p. 492). However, while this author might subscribe to a need for persuading and guiding managers towards radical changes in employee management practices and in the structure of organisations (Gioia & Pitre 1990, p. 591), this is not the objective of this research and normative recommendations are not part of its design.

Deetz refers not only to a consensus-dissent dimension in social research, but also to addressing where and how research concepts arise. Differences are drawn between a research orientation in which the experiences of the researched become coded into the researcher's language system (an 'elite/a priori dimension') upholding the status quo through the research process, and a research orientation in which concepts are developed about organisational parties (Deetz 1996, pp. 195-6). His alternative grid identifies different approaches according to which dominant social discourse the research is oriented and the origins of the concepts and problems being researched. Thus critical studies are oriented towards dissent and 'elite/a priori' dimensions. He says of critical 'discourse' that

> Either explicit or implicit in critical work is a goal to demonstrate and critique forms of domination, asymmetry, and distorted communication through showing how social constructions of reality can favour certain interests and alternative constructions can be obscured and misrecognized (Deetz 1996, p. 202)

However, he proceeds to note that critical research aims at producing dissent. Dissent in research 'aims at challenging mechanisms of order maintenance to reclaim conflicts and tension'. 'The existing orders,' he explains, 'indicate the suppression of basic conflicts and along with the domination of people and their full variety of interests' (Deetz 1996, p. 197). A study of an ideology in which there is a unitary perspective of organisation that neglects such aspects of the dynamic of organisational relationships would appear to be setting up the grounds for critical research. A critical perspective is implicit in much

industrial relations research: industrial relations is both about 'the management of labor problems' as well as being problem-based (Barbash 1984, p. 3). It is, therefore, also solution-oriented. This is the underlying focus for Fox in developing his account of unitarist ideology which, he argued, is incongruent with 'organizational reality' (Fox 1966a, pp. 374-5), and he proposed (and later repudiated) an alternative pluralist model of management.

Fox's approach is critical because it sought 'to identify weaknesses, limitations and ideological functions of approaches' (Harley 1999). To what extent, however, is this research critical? This question is discussed in the next section.

4.2.5 Limitations on the critical approach to the research topic

If this work is neither functionalist nor interpretive, where are its paradigmatic origins? In Deetz's terms, this research implicitly constitutes a critique of domination in the examination of managerial ideology. For Deetz,

> Critical researchers see organizations in general as social historical creations accomplished in conditions of struggled and domination. A domination that often hides and suppresses meaningful conflict. Organizations are described as political sites … (Deetz 1996, p. 202).

That is as far as this thesis goes with respect to its claim to a critical study and this research does not seek either an activist nor a normative approach to the study of managerial ideology. In the terms utilised by both Gioia and Pitre (1990, p. 591) and Collins (1996, p. 16), who modified Burrell and Morgan's paradigm types, the thesis and its focus on managers' ideology has elements of radical humanist research which aims to describe, to critique and to understand. But it also contains elements of the radical structuralist perspective, which would aim to identify sources of domination, but with the limitation of not providing guidance for action. That is for later work, which might emerge from this research. It reflects the radical humanist concern for the social construction of reality, but is not so interested in the issue of overcoming distortion. And it reflects a concern about domination, but not alienation. This is not a reflection of a multi-paradigmatic approach, but is symptomatic of a topic that does not fit easily into the Burrell and Morgan paradigm grid, and their grid is inadequate, as Deetz suggests.

While the principal methodology chosen for this thesis is often equated with positivism, the topic is not typical of a structural-functionalist, or positivist, interest in the study of management. It does not try to explain managerial behaviour or to test Fox's ideal-type construct of unitarist ideology in terms of universal psychological forces, non-social factors, or reified social constructs (Silverman 1970, p. 140). It focuses, rather, on unitarism as a framework of meanings, which managers might assign to their role to the organisation, and to their relationships with employees. The study is phenomenological in the sense that it does not seek to explain managerial attitudes and practices in terms of contingency factors (Berger & Luckman 1966, p. 34). It is phenomenological also in the sense that it concentrates on managerial subjectivity. Unitarist ideology involves a subjective interpretation of organisation and power relationships. However, as Fox and others note the unitarist ideology is problematic from an industrial relations perspective. The ideology is problematic in another sense. While Fox elucidated the unitary construct from broad generalisations about managerial beliefs and values and it continues to be applied *to* analyses of managerial behaviours, the ideal-type itself has yet to be subject to verification. To re-state the central research question: is the unitarist ideology as a social construction of organisational reality and of organisational relationships reflected in the subjective beliefs and values expressed through SME managers' attitudes towards managerial prerogative, conflict, collective workplace relations, and trade unions?

In conclusion, Burrell and Morgan's 'radical humanist' paradigm most closely circumscribes the paradigmatic focus of this question. This conclusion is assisted by the industrial relations context of conflict, power relations, and work processes within which the study is conducted.

4.3   Research design

Some of the literature on paradigms appears to conflate notions about methodology and paradigms (Strauss & Whitfield 1998, p. 24). Thus, the debate between adherents to quantitative and ethnographic or case study methods, Bachrach (1989, p. 512) argued, is false. The inextricability of method from paradigmatic assumptions and purpose seems to constitute one of the foundations of positivism. Burrell and Morgan also challenged this perspective, arguing that quantitative methods do not necessarily equate with

positivism (Burrell & Morgan 1979, p. 5). Harley (1999) likewise questions the notion that certain methodologies are determined by a particular paradigm. Whipp (1998, pp. 52-3) observed that qualitative and quantitative methodologies are not antithetical and that researchers are in practice pragmatic in their adoption of methods, often using both in industrial relations at different stages of the research. Qualitative or quantitative methods are merely the means of gathering data relative to a problematic (Bryman 1989, pp. 253-4). Collins (1996, p. 20) takes this point further, noting that paradigms, positivist or otherwise, are more than a simple collection of research techniques: it is the ideas and values of the researcher, which underpin the use of research techniques such as surveys. Thus, the utilisation of an empirical tool - for example, the survey - is not of itself positivist. The significant issue, hinted at earlier in this section, lies in the *intent* of the researcher and *how* the researcher uses the techniques (Morgan & Smircich 1980, pp. 498-9; Deetz 1996, p. 194).

The research design for this thesis was founded on both quantitative and qualitative methodologies, although the principal research methodology in obtaining data about SME managers' ideology was undoubtedly the survey questionnaire. In the next three sub-sections, the issues and purposes in adopting both quantitative and qualitative methods employed in this research are considered within the context of these paradigmatic considerations.

4.3.1   Quantitative methodology

Harley (1999, p. 20) mounted an argument for the adoption of quantitative methods of research, while acknowledging the limitation of statistics, in particular the implicit assumption of positivism that 'statistics can of themselves tell us everything we need to know about the phenomena under consideration'. However, he added, 'the conflation of positivism with the empirical is to do a disservice to the critical project by denying the legitimacy of a potentially powerful tool in the emancipatory project' (Harley 1999, pp. 22-3), hinting at an alternative normative agenda to that of the majority of organisational and management theorists.

Some researchers would disagree with this perspective, finding the adoption of certain methodologies incompatible in certain areas of research. Denison (1996, p. 620), for one, found the application of quantitative methodology to another ideational domain (organisational culture) 'curious' and 'perplexing' given the epistemological foundations of the study of organisational culture. In an essay on qualitative method, Morgan and Smircich (1980, p. 498) likewise were critical of quantitative methodologies in objectivist research, which 'freeze the social world' and 'reduce the role of human beings to the influence of a more or less deterministic set of forces' (what they called the voluntarist-determinist question). They argued that any research method that 'merely contents itself with the production of narrow empirical snapshots of isolated phenomena at fixed points of time, does not do complete justice to the nature of the subject', committing themselves to reliance on a diachronic perspective on the research subject.

While the desirability of employing qualitative methods for topics such as the ideology of managers is accepted, the unease expressed by both Denison and Morgan and Smircich is not shared here in the application of quantitative methods to the ideational realm of manager's ideology. Notwithstanding the 'difficulties [in social research] of data contamination and imperfect research methods and evaluation of complex interactions between factors', Frenkel (1986, p. 117) asserted that empirical methodologies have value for industrial relations research. Plowman (1991, p. 19) noted that the scientific method is a useful adjunct to, rather than the indispensable tool of, social science research where deductive thinking has the potential for differing value systems to influence outcomes.

The selection of a survey as the principal research instrument in this thesis is a pragmatic quantitative strategy, appropriate for ascertaining a broad-brush picture of the ideological preferences of SME managers in managing their organisations. According to Strauss and Whitfield (1998, p. 14), quantitative methods are not necessarily deductive, nor are qualitative methods necessarily inductive. Induction and deduction may also co-exist in a single research project (Whitfield & Strauss 2000, p. 142). They observed that research by industrial relations researchers reported in the major industrial relations journals has tended to be primarily concerned with theory building or theory testing. It

is, they concluded, primarily inductive, directly concerned with policy problems, and focused on quantitative deductive research. This 'discipline orientation' characterises the nature of the research in this thesis, which empirically tests Fox's unitarist ideology, a task that industrial relations scholars have failed to do comprehensively, except in a superficial manner. One of the dangers of the quantitative approach, according to Whitfield and Strauss (2000, p. 148), is that there could arise a disjunction between the ideology, which this thesis investigates, and the proxies deployed in the study. The large number of items in each of the questions directed towards identifying the respondent managers' assumptions was designed to overcome this problem.

Quantitative analysis is increasingly apparent in industrial relations research (Whitfield 1998, p. 65; Strauss 1998, p. 188). This is partly because of the growth of large scale surveys, in particular the workplace industrial relations surveys in the United Kingdom and Australia, and the meta-analyses which followed. Whitfield and Strauss (2000) have catalogued a significant growth in the proportion of deductive articles and quantitative articles in six of the main journals in industrial relations. The proportion of articles based on data collected by industrial relations researchers changed very little, from 35 percent in 1967 to 38 percent in 1997.

Surveys and the analysis of data collected from self-administered questionnaires can be utilised to address issues of meaning and interpretation (Bryman 1989, p. 253). Broadly speaking, the social subject matter of surveys may yield a set of data providing for the analysis of patterns in the data matrix (de Vaus 1995, p. 5). The survey method involves systematic measurement addressing, among the plethora of available topics in social research, the attitudes and beliefs of respondents (Moser & Kalton 1971, p. 5; Tourangeau 1987, pp. 151-8; Schmitt & Klimorski 1991, p. 326; Oppenheim 1992, pp. 174-8; de Vaus 1995, p. 47; Graziano & Raulin 1997, p. 143). In this case, what is surveyed are the values and beliefs or ideology of a sample of SME managers in managing employees. As indicated in chapter 2, few industrial relations researchers after Fox, other than Godard (1997; 1998) have systematically dealt with managers' ideology. In dealing quantitatively with the attitudes, values and beliefs of managers, which are abstract phenomena (Oppenheim 1992, p. 175), the research runs the risk of reducing

managers' ideology to merely another organisational variable, as Denison (1996, p. 620) reflects in a paper on quantitative research methods in organisational culture studies. However, ideology is *a priori* integral to the choices managers adopt in managing employees and, therefore, of interest in studying the attitudes of managers and the choices they make in the management of employees.

This thesis involves the administration of a mailed survey and analysis of its resultant quantitative data, as well as analysis of the qualitative data from an interview program. The choice of the survey methodology as the principal component of the research design was determined by the possibility of obtaining a broad picture across the eastern seaboard of managers and their assumptions in Australian small and medium sized enterprises. A mail survey supported by interview data has the advantage of limiting the cost implications of interviewing a large sample (Goode & Hatt 1952, p. 230; Moser & Kalton 1971, p. 257; Dillman 1978, pp. 2-3; Bryman 1989, p. 42; Schmitt & Klimorski 1991, p. 327; Oppenheim 1992, p. 82).

How does the researcher measure something as intangible as the ideology, or in other terms, the values and beliefs, of managers? Values and beliefs, because they cannot be directly observed, can be inferred by indirect means (Zikmund 1997, p. 352) through a series of questions designed to measure them (Moser & Kalton 1971, p. 351). According to Rossi and Anderson (1982, p. 28) the 'dimensions' of social phenomena can be talked about in terms of the quality of social 'objects' or 'a variable characterising such objects that can vary in kind or amount'. While this approach can be operationalised by question sets in a survey, there is a danger of reifying values and beliefs.

The problem indicated by Millward, Marginson, and Callus (1998) and Buchanan (1999) may not be an issue with respect to ascertaining the ideological underpinnings of management views. While ideological perspectives might be subject to sudden reversal — the analogy of St Paul on the road to Damascus occurs as a metaphor — what matters is not that a manager might be converted from a unitarist perspective on management and organisation, but whether a set of values and beliefs might be switched at all.

The more significant issue is whether surveys or interviews can be employed to access managers' ideology. From a broad theoretical perspective, Waller, Huber and Glick (1995, p. 951) note that there is no wholly satisfactory research protocol for identifying what people perceive, especially in complex natural settings. Furthermore, it has been argued that quantitative methods of social research may be inappropriate once the ontological view of the world as a concrete structure is rejected and substituted by concepts of the social construction of reality where human beings actively contribute to its creation (Morgan & Smircich 1980, p. 498).

Attitude scales in a series of questions nevertheless do provide a technique for measuring the intensity of the value or belief about the various items (Oppenheim 1992, p. 176). Thus, since the objective of this research is to address the ideological basis of managing employees, questions can be utilised for flushing out the subjective assumptions managers apply to the business of managing employees.

Multiple indicators, such as attitude scales, have a number of advantages: first, to deal with broad concepts by providing a number of items; second, to offset an incorrectly or inappropriately answered question; third, the presence of more than one indicator can offset a poorly worded item; and, fourth, to draw finer distinctions between respondents (Bryman 1989, p. 38). The four sets of questions covered in the survey used for this research correspond to the four key aspects of Fox's construction of the unitarist ideology. These questions were designed to ascertain managers' assumptions in managing employees, and managers were asked to identify for a number of items the intensity of their 'view' (the actual term used in the questionnaire) on each of the questions in each of the four sets (Oppenheim 1992, p. 176).

Interviews are not immune from the problems suffered by any other methodology (Sutcliffe 1999, p. 147). Specific issues might include interviewer bias, response errors, and the effects of the interviewer's expectations (Moser & Kalton 1971, pp. 385-8). Conversely, this appears to provide credence to the argument that there is no single, exclusively valid methodology, which legitimately could be employed in studying an industrial relations phenomenon (Connell, Lynch and Waring 2000, p. 13). The

introduction of the interview program conforms to the radical humanist categorisation of the approach taken towards this research project on managers' ideology. Distinctive characteristics of the interview program as a qualitative methodology are considered next.

4.3.2   Qualitative methodology

Qualitative material was obtained by semi-structured, face-to-face interviews of 19 SME managers, 16 of whom were in the Brisbane metropolitan area and three outside Brisbane. These managers were selected from a sample frame of approximately 260 managers. They had previously responded to a Queensland SME survey (McDonald & Wiesner 1998), and had indicated their willingness to participate further in the SME project by providing the researchers with their names and contact details. The further basis for selecting these managers was the proximity of their firm's location to other firms within a suburb or group of suburbs in the City of Brisbane and surrounding districts. Thus, travel times were minimised and the number of interviews maximised in the available time (26-30 October 1998)[20].

The interviews served a dual purpose. The primary reason was to assist in the development of the survey questionnaire. The second reason was to provide some complementary data to the principal research instrument, the survey of SME managers. Thus, the heuristic purpose of these exploratory interviews was to enhance and check the ideas for development of the questionnaire; any quantitative data was a bonus (Oppenheim 1992, p. 67).

The questions, modified where it was necessary in the context of the interview, for example, to elicit further details, were designed to follow the unitarist framework around managers' attitudes towards issues of managerial prerogative, conflict, collective workplace relations and trade unions:

1.   Where do you get your ideas about management from?

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[20] As indicated in section 2.1, this research project is part of a larger project on employee management and organisational chance practices in SMEs in which the author is a principal researcher. That project had developed from a small regional pilot survey with 32 respondents in 1996 and a state-wide (Queensland) survey with 432 respondents in 1997, to a national survey with 1412 respondents in 1998.

2. If you had to summarise your management philosophy about managing employees what would you say?
3. What do you think the basic principles are for managing employees?
4. To what degree do you think employees can or should be involved in business decisions, eg, major change to your product, restructuring work; reorganising management structures; introducing new plant, equipment or technology; changing the structure of the workforce?
5. What are your views on negotiating with employees, unions?
6. Do you think that unions or employee associations distract you from the process of management?
7. If you have disputes/grievances/conflict in the workplace, what, in general terms, do you think could be the (underlying) reasons?
8. What do you think about individual contracts, such as Australian Workplace Agreements (AWAs)? What impact do you think they would have on employee commitment; employee performance (firm performance)?
9. Do you think that unions have outlived their usefulness?
10. Do you think that negotiations and bargaining encourage a 'them and us' culture?
11. Do you agree that bargaining is a necessary evil?
12. Tell me what you think about the scope of your right to manage. How far can other people encroach on the right to manage?
13. What is your principal responsibility as a manager?
14. What do you think about self-managing teams?
15. How would you deal, in general terms, with employee resistance to change necessary for your company to maintain its competitive edge?
16. Do you think that managers have common interests with employers? If so, what are they?
17. What do you think makes a good manager? and
18. Is there anything you would like to add about your beliefs as a manager that we have not covered?

The interview program enhanced the collection of data (Whipp 1998, p. 54) because these questions were developed around a matrix of Fox's characteristics of unitarism. The questions dealt with the participants' views on management and managerial prerogative generally (questions 1, 2, 12, 13, 17), managing employees generally (questions 3, 4, 8, 15), trade unions (5, 6, 9), collective relations in the workplace (5, 10, 11), employee participation (4, 14), conflict (7, 15) and shared interests (16). During the programme, question 17 - *What do you think makes a good manager?* - was added to the questions. Question 18 was a 'clearing house' question (Minichiello, Aroni, Timewell, & Alexander 1995, p. 96), designed to flush out any further reflections on the subjective nature of managers' beliefs about their roles. Thus, the interview questions were designed to cover each of the principal dimensions of Fox's unitarist ideology. The

analysis of the quantitative data arising from the interviews, which encompassed these questions, will be dealt with in chapter 5.

This set of questions constituted an aide-memoire (David & Sutton 2004, p. 88). It did not exercise a standardised control over the direction that respondents' answers might take as in a structured interview, but provided a framework for the topics to be covered, focussing on the key themes central to the research (Bouma 1993, p. 171; Minichiello, Aronis, Timewell & Alexander 1995, p. 65; Crano & Brewer 2002; David & Sutton 2004, p. 87). The questions, for the most part, were therefore open-ended. Questions 4 and 8 suggested areas of discussion in their wording but did not constrain the scope of the respondents' answers. Open-ended questions give the interviewee freedom about the scope and extent of an answer (Moser & Kalton 1971, p. 341) and an opportunity to respond in their own words (Crano & Brewer 2002, p. 162). This brings with it the advantage of providing richer data (Minichiello et al. 1995, p. 64). Minichiello et al. call this a 'recursive model' of interviewing, which merely refers to a 'conversational interaction' between interviewer and respondent, which is flexible and adaptive both in dealing with the uniqueness of each situation in which the interview is conducted and the individual participating in the interview. This adaptability extends to how the interviewer relates one remark made by the respondent to the next one (Minichiello et al. 1995, pp. 80-81).

The program thus constituted a set of 'qualitative interviews'. Qualitative interviews are characterised by open-ended questions (Babbie 2005, p. 254). They are guided by a general plan of inquiry but the questions are not necessarily asked in the format suggested in the aide-memoire, nor necessarily in the particular order. The interaction between researcher and respondent might lead to a variation in the wording and the order of questions (Babbie 2005, p. 314). Each of the sessions with the respondents lasted an hour or more and could therefore be regarded as in-depth interviews (Bouma 1993). In-depth interviews are a purposeful 'conversation' between the researcher and the informant. Within the scope determined by the questions, the interviewees gained an opportunity to express their 'perception of self, life and experience' as it applied to management of the workplace (Minichiello et al. 1995, p. 61).

In this semi-structured interview program, the sequence of the questions was not always followed in each of the interviews. This was possible without jeopardising the quality of the data because the questions were framed around the key characteristics of the unitarist ideology in no particular order. Furthermore, the directions of an interview cannot be known in advance for sure (Undheim 2003, p. 122). Occasionally, asking supplementary questions in order to elicit further responses than those offered, or to bring the interviewee back to the topic of the question, would modify this sequence through prompts and probes (David & Sutton 2004, p. 88).

Each interview depended upon the interviewer (who was the author) establishing credibility with the manager (Whipp 1998, p. 54), rapport (Sutcliffe 1999, p. 146) and overcoming reticence about revealing business information (Whipp 1998, p. 54)[21]. Minichiello et al. (1995, p. 80) call this, 'setting the tone' of the interview. This usually occurred before the recording of the interview commenced. The interviewer told them something about his own background and the background of the research. Participants were reminded of the research project (each interviewee had previously filled out a survey questionnaire for McDonald and Wiesner's national survey of employee management and organisational change in SMEs and indicated their willingness to participate in further research). Confidentiality was assured. While the interview process included a period, during the initiation of the interview itself, of establishing dialogue in order to achieve credibility and rapport, this was the only period where there might have been an exchange of information. Research interviews tend to reflect a situation of asymmetrical exchange (Undheim 2003, p. 111). Turning on the tape recorder signalled the commencement of the substantive stage of the interview.

Using a previously developed question framework minimises the possibility of observer bias (Sutcliffe 1999, p. 147), and of suggesting answers by asking leading questions (Patmore 1998, p. 222). Nevertheless, this researcher determined the questions asked and the structure of the interview based upon his own 'interpretation and presentation of reality'. The interviews did not probe the managers' backgrounds in depth and the data

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[21] One manager was concerned about information getting back to head office and another offered only very short responses and appeared reluctant to participate.

were thus 'deprived of the "ethnographic context" of the informant's life' (Minichiello et al. 1995, pp. 64; 72). Such were the implicit limits on the scope of the information provided by the interviewees. However, the structuring of the questions around the key characteristics of Fox's unitarist ideology was a necessary, determining factor in shaping the interview (Minichiello et al. 1995, p. 64). Accuracy of responses was not an issue since the objective of both the interview programme and the survey questionnaire was to obtain indications of the underlying assumptions of the participants about managing employees. Ideally, each organisation could have included interviews with employees and other managers. This would have applied in the adoption of a case study methodology, which was not adopted in this research project, since one of its objectives was to ascertain whether and to what extent a broader population of SME managers reflected Fox's unitarist ideology. Adopting a case study approach to provide a qualitative dimension to the research was rejected as being too resource costly.

The interviews were taped and subsequently transcribed, limiting the chance of forgetting or losing comments and providing a complete set of records of the interview program (Friedman & McDaniel 1998, p. 124) and how it was conducted (Moser & Kalton 1971, p. 281). This provided the opportunity to analyse the responses (Bouma 1993, p. 180-1) within the context of the identified dimensions of unitarist ideology. One of the tapes was misplaced in the transcription process and was, therefore, unavailable, reducing the data from 20 managers to 19.

The interview programme revealed that managers in the sample generally had little difficulty in articulating answers to questions on management, trade unions, collective versus individual relations, conflict and various employee management practices such as forms of employee participation.

4.3.3   Complementary methodologies

Whipp (1998, p. 53) argues that bringing together quantitative and qualitative approaches in the same study can generate new questions and suggest hypotheses to test quantitatively. This approach suggests that the researcher might sequentially arrange qualitative and quantitative tasks, and the interview program preceded the administration

of the survey in this thesis. This is not an integration of methodologies as suggested by Gable (1994), although Gable focussed on case studies rather than interviews. Such methodological triangulation has the potential to provide cross-data validity checks (Buchanan 1999, p. 153; Schur 2003, p. 597) and improve the quality of the data collected (Buchanan 1999, pp. 155-6). According to Buchanan (1999, p. 151), using a single research technique is inadequate for dealing with most industrial relations research questions because of the complexity of the field of study.

In employing a complementary mix of survey questionnaires and semi-structured interviews, the researcher is not mixing methodologies that are innately unrelated or incompatible. Semi-structured interviews can be used as part of a quantitatively oriented research methodology (Minichiello et al. 1995, p. 65). Plowman (1999, p. 41) suggested that interviews are a form of survey and recommended the development of a structured set of questions for obtaining consistent data. Millward, Marginson and Callus (1998, p. 139) also identified face-to-face interviews as a form of survey. Nevertheless, Buchanan (1999, p. 160) observed that by the late 1990s there had been few studies (in industrial relations) where multiple methods were employed.

4.3.4 Design of the survey questionnaire

The purpose of the survey questionnaire was to establish whether the views of managers on a range of statements covering the four dimensions of Fox's unitarist ideology and certain managerial processes in SMEs reflected Fox's unitarist ideology. The questionnaire addressed three central issues: whether there exists a set of beliefs and values about managing employees; the extent to which managers in SMEs subscribe to a managerial, unitarist ideology; and the extent to which these assumptions are reflected in employee management practices within the organisation. Thus it contained four sections (see Appendix A): a demographic set of questions; a set of questions headed 'views on employee management' which were determined by Fox's unitarist construct; a section of questions on 'structures and process'; and a final section on the respondent's satisfaction with various aspects of the workforce and the firm's performance. Each question set dealing with views on employee management contained a range of statements designed

to ascertain the congruence or otherwise of attitudes to various items with Fox's construct (Moser & Kalton 1971, p. 351).

Demographic questions were based on the details sought in the Queensland and national surveys conducted earlier by Weisner and McDonald with some omissions and one significant addition. Questions regarding franchise operations, the age of the organisation, its principal product or service, whether it exported, whether there was a specialist manager or human resources department, aspects of strategic planning, the period of the respondent's employment in the company, and questions on email access and whether the organisation has a human resource information system were omitted. Two questions were added to this questionnaire, which were not utilised in the earlier surveys. The first was whether a union was active at the workplace. Secondly, following a question on whether the organisation was a family business, respondents were asked if they were an owner and whether or not they were also a family member.

The development of the questions has undergone a number of influences from other surveys. The initial questionnaire for the regional pilot survey in the SME project and the Queensland survey contained questions from the organisational change survey conducted by Prof. Craig Littler from University of Southern Queensland and Dr Tom Bramble from University of Queensland in March 1995. Other sources were the 1990 Australian Workplace Industrial Relations Survey, and a University of Queensland Labour and Industry Research Unit survey on enterprise bargaining in Queensland. Those influences have been considerably modified for this survey. While there is an intuitive basis for many of the question items, as well as the elements of Fox's unitarist construct, they do have typical geneses in the literature and in industrial relations sources, which were identified in detail in chapter 3.

Following the establishment of validity (see section 4.4, below), a pilot survey of 6 managers in SMEs was then conducted utilising an amended survey form. This phase of pre-testing also asked the participants to evaluate the time taken to fill out the questionnaire, whether they understood each question clearly, their views on the length of the instrument, and whether the issues raised in the survey were realistic. The survey

was filled out in the author's presence. The questionnaire did not require further amendment as a result of this testing process, and was mailed to the population sample on 7 December 1998. However, some questions relating to the limitations managers might experience in managing employees and certain human resource practices linked with employee participation were added.

The sample frame for this thesis was derived from a systematic selection of every second respondent to the national survey conducted by Wiesner and McDonald (1998) on employee management and organisational change practices. The sample consisted of 500 managers in small and medium sized businesses selected from a stratified sample of SMEs in Queensland, New South Wales and Victoria[22]. This was composed of 300 respondents to McDonald and Wiesner's national survey of SME managers' employee management and organisational change practices, who had indicated their willingness to participate further in the national research project by providing their contact details. A further component of the sample was made up of 200 respondents who had not indicated their willingness to participate further. Every second respondent in both categories was selected until a sample of 500 participants was identified. The full sample of respondents to the national survey was not used because of cost limitations.

The use of respondents to an earlier survey has been found in another study of managerial ideology to provide a high response rate (Godard 1998, pp. 21-2). The selection of respondents who had provided their details was designed to enhance this possibility of higher response rates. Roth and BeVier (1998) found that there was a strong relationship between advance notice and response rates. The national survey form had asked for the name of the respondents, their position, the name of their organisation, address, telephone and facsimile numbers and email address. The request for details was expressed in the following terms:

> We would like to follow up this research with some individual organisation with their cooperation. If you would be willing to participate in any further extension of this project, would you please fill out the details below, so that we might contact you. We reiterate that all information provided on this form will be kept confidential. The research findings will not directly or indirectly identify any particular organisation.

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[22] The original sample for the Australian Study was stratified according to industry, size and state from a Dun and Bradstreet database.

On the face of it, the respondents who had furnished their details were more likely, all things being equal, than respondents who had not, to fill out the questionnaire for this thesis and provide a higher response rate, having indicated a willingness to participate further in the research project. There are two riders to this assumption. The first is that those doing so may have certain characteristics, as managers, which distinguish them from those respondents who did not furnish their details. The second is cautionary: the respondents may have filled the details out as a reflex to the space provided for their details, without consciously committing themselves to further involvement. To minimise the possibility of bias on the first account, 200 respondents who had not furnished their details complemented the sample of 300 respondents who had provided details. The weighting toward respondents who had indicated their willingness to participate further was a recognition of Godard's experience. A third set of possible negative effects on response rates related to the timing of the survey. The proximity of the administration of the survey for this thesis to the completion in late November 1998 of the national survey on employee management and organisational practices might have generated some resistance to filling out another detailed questionnaire. A second timing factor was the closeness of the return date to the Christmas holidays (22 December 1998).

In the event, clerical errors resulted in 100 mailings being duplicated and a second mail-out to a further 100 SME managers was conducted with a return date of 5 February 1999. Two hundred and six managers filled out the survey forms, a response rate of 41.2 percent. This result bore out Godard's observation: the response rate to McDonald and Wiesner's national survey was only 36 percent (McDonald & Wiesner 1998).

The questionnaire was distributed by mail reducing the time involved in data gathering, with the advantage of mailed questionnaires of avoiding interviewer bias (Moser & Kalton 1971, p. 257; Bryman 1989, pp. 42-3; Oppenheim 1992, p. 40; Shaughnessy & Zechmeister 1994, p. 125), and limiting costs (Moser & Kalton 1971, p. 257; Berdie, Anderson & Niebuhr 1986, p. 14). The mail survey also allowed for the collection of responses dispersed across three states on the eastern seaboard (Moser & Kalton 1971, p. 257; Oppenheim 1992, p. 40). The smaller states and territories were abandoned as were Western Australia and South Australia.

Reminders were sent to non-respondents to the first mail-out, extending response rate and response time. Follow-up communication has a relationship with response rates (Roth & BeVier 1998). This was not done for the second mail-out conducted on account of the errors in the original mail-out and the schedule for data entry. This omission might have lowered the response rate. Reply-paid envelopes were supplied. This has been found to encourage a higher response rate (Moser & Kalton 1971, p. 265).

Ordinal scales were employed for the principal questions relating to Fox's ideal type on a five point scale ranging from strongly agree to strongly disagree. A mix of nominal scales and ordinal scales was utilised for the demographic questions and the questions in Section C, 'Structures and Process' and Section D, 'Outcomes'.

4.3.5 Limitations of survey methodology

Survey research has some reservations attached to it as a methodology. Marginson (1998, p. 370) refers to the limitations in the ability of surveys to discover the processes that lie behind the structures and processes surveyed. This applies especially to surveys addressing the ideological realm, which might be elusive and which in this project relies heavily upon proxies. In that sense, the resultant data from any survey need to be treated cautiously. However, if it is possible to survey participants about the intentions that orientate their actions (Marsh 1982, cited in Marginson 1998, p. 370), then it is possible to extend the methodology to managers' ideology.

Bendix (1974, pp. 442-3) raises the question whether it is possible to ascertain managers' ideology from a questionnaire if ideology involves a 'constant process of formulation and reformulation'. A further question is raised by whether surveys can reveal the real attitude of managers or distinguish actual practices, which might disguise the true ideological perspectives of the respondent (Nichols 1969, p. 250). There is a problem with inferring management motives (and management assumptions and values) from observation of management behaviour (Miller 1987, p. 354).

According to Millward et al. (1998, p. 137), surveys are 'blunt instruments for understanding the social processes that underlie employer-employee relationships' or to detect changes occurring within industrial relations structures and institutions. Buchanan

(1999, p. 155) advanced surveys as a good research instrument for ascertaining the prevalence of the phenomena being studied. The weakness, he argued, was the difficulty in revealing the processes that generate them. De Vaus (1995) disagrees, arguing that while data from a survey may describe the phenomena, which are the topic of a survey, it may also provide an understanding of such phenomena. A single survey has the limitation of providing a 'snapshot' of a research issue with the danger of failing to seize upon the dynamics of social phenomena. However, a survey does have the potential of its findings being applicable to a broad population, in this case SME managers, provided the sample is representative (Callus 1999, p. 109).

With respect to the core focus of the research – the ideology of SME managers – these problems are not insurmountable. Constructing the questions around four of the key dimensions of Fox's unitarist ideology, and focussing on the responses of managers to the statements in each question, was designed to reflect typical unitarist attitudes. This provides a range of proxies for managerial ideology not found in industrial relations research on managers that is pertinent for analysis. It does not solely rely on reporting of managerial practices, but on managerial attitudes, although asking respondents to indicate their responses to questions dealing with the range and extent of certain practices in managing employees and a number of other features of the manager-employee relationship enhances the collection and analysis of data on the ideological phenomena not directly observable.

Limitations of the use of a questionnaire as a survey instrument include the preclusion of explanations to responses, difficulty in testing reliability, the degree of accuracy of self-reporting responses, and validity refers only to the survey sample (Edwards & Thomas 1993; Lefton, 1997). Over-claiming can occur (Bacon et al. 1996; Duberly & Walley 1995). Respondents may interpret terms such as 'agreement', strategic planning and business plans in diffuse ways (McDonald & Wiesner 1997). The accuracy of responses to a self-reporting instrument is another consideration (Shaughnessy & Zechmeister 1994, p. 125). Furthermore, an employee interview programme and a selection of case studies might have provided a greater wealth of data. These limitations are a function of resources, which constrain the research boundaries in any case.

Self-reporting through the medium of a mailed questionnaire provides standardised responses and may not be appropriate for the acquisition of attitudes (Wass 1994, p. 98). The task of ascertaining the value and belief assumptions of respondents is also limited by the questions asked in the survey form. These may, in addition, hinder the collection of data unforeseen by the research (Wass 1994, p. 98). A reservation about analysis of data obtained by the survey method is a 'tendency to overstretch their explanatory power by some statisticians' (Brown & Wright 1994, p. 162). While this comment refers to meta-analyses of large-scale surveys, it provides a cautionary note for the conduct of any survey.

Specific problems with mailed survey questionnaires might occur. Moser and Kalton (1971, pp. 260-1) identify six issues. The first requirement is sufficiently simple and straightforward questions backed by instructions and definitions. In the survey developed for this research, where necessary explanations were added in parentheses to statements and each questions provided directions, using emphases. The second issue is that returned questionnaires have to be accepted as final. Third, the use of mailed questionnaires might not generate immediate or considered responses. Fourth, there is no control over the respondent's pattern of responding, thus the answers to different questions cannot be regarded as independent. Fifth, there is no guarantee that the survey questionnaire will be completed by the targeted persons, in this case the most senior manager, or CEO. Finally, there may be no opportunity — particularly where anonymity is retained — to obtain supplementary information on participants' responses by observational data or by an interview program.

4.4 Validity

Validity refers to the success of the scale 'in measuring what it sets out to measure, so that the differences between individuals' scores can be taken as representing true differences in the characteristic under study' (Moser & Kalton 1971, p. 355; Oppenheim 1992, p. 160). It is a multi-faceted concept in the sense there are a number of different forms of validity (Whitfield & Strauss 1998, p. 290). According to Moses and Kalton (1971, p. 355) validity is concerned with the question of whether the scale measures what it sets out to measure.

Approaches to validity vary between disciplines. This is a particular issue for industrial relations where researchers may come from different disciplines. Whitfield and Strauss (1998, pp. 292-3) distinguished between construct, internal and external validity. There is a range of approaches. Moser and Kalton (1971, pp. 355-7) referred to other forms of validity, including content validity, construct validity, predictive validity and concurrent validity. Strauss and Whitfield (1998, p. 13) note that different forms of validity are traded off against each, often reflecting the researcher's resources, the rationale for the research, and the disciplinary tradition. In this thesis content and construct validity will be tested because the survey targets SME managers' ideology and tests existing constructs.

4.4.1 Content validity

Content validity for the questionnaire was required to evaluate whether the survey measures the features of management assumptions built around Fox's unitarist concept (Zikmund 1997; de Vaus 1997, p. 56). Content validity was tested through its review by two panels (Dilman 1978, pp. 156-7; Schmitt & Klimorski 1991, p. 102), the first an expert panel consisting of academics and the second a managers' panel comprised of respondents to a Queensland survey of SMEs conducted by Dr Retha Wiesner and the author.

The expert panel consisted of four academics in human resources and industrial relations from the Department of Human Resource Management and Employment Relations at the University of Southern Queensland and the School of Industrial Relations at Griffith

University. The participants were contacted by email. The email contained the question-by-question pre-test document for problem identification and suggestions for revision (Czaja & Blair 1996, p. 95), as well as readability and item content (Schmitt & Klimoski 1991, p. 354).

Each member of both panels was asked, following Lawshe (1975, p. 567), whether each of the questions designed to measure managers' assumptions were essential, useful but not essential, or not necessary. The academic panel was advised about the research context of the survey as follows:

> This survey attempts to ascertain managers' assumptions (values and beliefs) about the management of employees (by looking at their views on management and managerial prerogative, trade unions, collective vs individual relations, and conflict), as well as their practices (I'll be looking at the link between assumptions and strategic choice in managing employees).

The managers' panel consisted of the 17 managers from the interview programme, who had already agreed to further participation. These were contacted by mail and pre-paid envelopes supplied for the responses. The task was explained in a covering letter to the managers in the following terms:

> You may recall that I mentioned I was developing a questionnaire which is aimed at ascertaining manager's assumptions about the business of managing employees. Instead of sending you a full draft, I would like your assistance in assessing the content of the questionnaire by filling out the attached form.
>
> I need to know what you think whether the collection of beliefs and values you might hold about various aspects of your job in managing employees is adequately catered for in these questions. The usual way in which the validity of the questionnaire is tested is by a sample of potential respondents indicating whether each question is sensible and relevant. Therefore, for each of the questions could you please indicate whether in your view the item designed to measure one or other aspects of managers' assumptions about management is **"essential", "useful but not essential",** or **"not necessary"** by ticking the relevant box.
>
> In addition, I would be pleased to receive from you any issues you think should be covered by the questionnaire, but which are not in the survey, and which you believe would enhance my understanding of managers' assumptions about managing employees.

Two of the 20 managers interviewed had indicated that they would not be available for a further survey at short notice and one interviewee excluded during the programme was a group human resources manager and not from the targeted group of CEOs and senior managers. The response rate for the content validity test was 13 from 17, or 82 percent,

partly justifying the anticipation of a higher response rate from respondents who had already participated in the project, although this was a very small sample.

Other formats for testing the utility of questions in a survey include questions which refer to whether most respondents will have the information to answer a specific question, whether they understand the question, and whether they will be willing to answer it (Czaja & Balir 1996, p. 61). Since the questions were mainly directed to respondents' beliefs and values, the issue of not having information did not arise. Even those questions, which referred to practices in the firm, enabled respondents to indicate what they would do as well as their actual methods in dealing with issues and changes in the organisation. For example, the question — *Please look at the different approaches to the making of decisions … Then indicate which of these decision-making methods you do apply or would apply to the introduction of the changes and issues below* — allowed respondents to speculate on how they would deal with various issues and changes within the organisation if they had not arisen.

The possibility of unwillingness to answer questions, was also reduced by the fact that the sample was constructed from a sample of respondents to the Australian national survey on organisational change and employee management which Wiesner and McDonald conducted in 1998. Finally, incorporating, where possible, explanatory clauses and phrases and attempting to avoid ambiguity addressed the problem, identified by McDonald & Wiesner (1997), of respondents interpreting terms such as 'agreement' in idiosyncratic ways.

In testing content validity, the survey questions were scored by utilising Lawshe's (1975, p. 567; see also Schmitt & Klimoski 1991) formula for a 'content validity ratio' (CVR),

$$CVR = \frac{(n_e - {}^N/_2,}{{}^N/_2}$$

where n_e is the number of panel members indicating that the question is essential and N is the total number of panel members. Simply put, any item which was perceived by

more than half the members of the panel to be essential has some degree of validity; and the greater the number of panellists who perceive an item is essential, the greater the extent or degree of its content validity (Lawshe 1975, p. 567). This measure was applied only to the managers' panel as the expert, or academic, panel did not adhere to filling out the survey of content validity, and the responses of members were rather more qualitative.

When fewer than half of the respondents identified an item as essential, a negative score results.

Table 4.1: Items from the draft questionnaire related to the four dimensions of unitarism scoring a negative CVR.

Question	Item	CVR
Statements related to managerial prerogative	**It is a manager's primary role to direct employees**	-.07
	Individual employee agreements such as Australian Workplace Agreements restore managers' rights to manage	-.23
	Individual employee agreements such as Australian Workplace Agreements have reinstated managers' primary responsibility towards the employer	-.23
	Agreements compromise effective management	-.23
	Negotiations and bargaining are constraints against effective management	-.07
	The key to successful management of employees is to put in place up-to-date control systems to monitor employee performance	-.07
Statements about conflict	Conflict would be eliminated if all parties organisational management's legitimacy	-.23
	Unions contribute significantly to the presence of conflict in the workplace	-.07
	Conflict is symptomatic of employees' inability to understand the complexity of work in today's organisation	-.23
	Where conflict occurs it reflects a failure on management's part to manage competently	-.23
	Conflict is usually stirred up by third parties	-.23
	There will be no conflict when all employees consider themselves team players	-.23
	Individual contracts would eliminate conflict	-.07
	Management failures in communication and leadership are the most significant causes of conflict	-.07
	Conflict and loyalty are incompatible	-.07

Question	Item	CVR
Statements about collective workplace relations	Management's primary responsibility is to the employer not to employees	-.23
	Negotiating with unions or employee associations undermines managers' responsibility to the employer	-.69
	Negotiations and bargaining create barriers to achieving organizational improvements where employees "hoard" trade offs in exchange for wages increases	-.07
	Management is best placed to determine what is best for the employees	-.23
	The presence of unions reflects a history of poor management in an organisation	-.38
	Agreement-making is a necessary evil which impedes the process of managing the organisation	-.23
Statements about trade unions	Unions are too powerful	-.23
	Responsible trade unions should help sustain the economy by facilitating companies like ours in achieving profits	-.23
	Trade unions are a challenge to management's legitimate authority	-.38
	Trade unions cause conflict in organisations which otherwise would not exist	-.38
	Trade unions are an impediment to change in dealing with today's environment	-.23
	Trade unions undermine managerial leadership	-.38
	Management does not have any moral obligation to deal with unions	-.23
	Unions too often place unnecessary restrictions on management	-.54
	Unions are an impediment to flexibility and productivity	-.38

In Table 4.2 there are seven items, which less than half the management panel scored as essential. Two items in question C4, Practices and Processes, received a zero score, indicating half the managers in each case believed the items were essential.

Table 4.2: Items in the draft questionnaire related to specific matters on which managers might consult employees with a negative CVR score

Question	Item	CVR
Consultation with employees on specified issues and changes	The financial state of the firm and its market position	-.23
	Major change decisions	-.23
	Major policy decisions	-.07
Consultation with employees on specified issues and changes	Plant layout	-.07
	Training and skills development	-.23
	The performance of the firm	-.38
	Major policy decisions	-.23
Practices in the organisation	Work process re-engineering	.00
	A multi-skilling or cross training programme	.00

On the basis that 38 percent of the questions put to the panels raised validity problems, the survey's usefulness was, on the face of it, limited. If content validity proved problematic for the survey instrument, were there any other grounds on which the survey might be validated? Notwithstanding Lawshe's formulaic approach, Moser & Kalton (1971, p. 356) observed that the assessment of content, or face, validity is a matter of judgement. In this case, some marginal changes were proposed to the wording of some items by the academic panel and adopted. The solution to establishing the validity of the survey lay in relying on the literature that provided the source for each of the items in each question and which was presented in chapter 3. The other question of validity relates to the four dimensions of Fox's unitarist ideology, which were identified in order to set up the proxy variables for analysis of SME managers' ideology. The construct validity of the research is discussed in the next sub-section.

4.4.2 Construct validity

The decisions on whether or not each question would be retained or culled relied primarily on whether each item could be justified in terms of the literature. This is a matter of both construct and content validity. The theoretical and practical sources of statements — either from the industrial relations and related literature or from examples in the public domain, such as comments by managers — were systematically reported in chapter 3. These sources will not be reiterated here. The sourcing of the items (other than the demographic questions) in this manner offers both content validity and construct validity. This comprehensive application of sources for each question

establishes validity for each of the items related to the four key dimensions of unitarism, which are central to the research question, and all of the other items.

Construct validity is concerned with the measurement of abstract concepts and traits (Black 1993, p. 68) and is therefore of relevance to the utilisation of a survey on the beliefs and values of SME managers in managing employees. It deals with the problem of inferring, in this particular instance, the ideology of managers from their scaled responses to a series of statements designed to test Fox's unitarist construct. As abstractions, managers' assumptions cannot be directly measured (Moser & Kalton 1971, p. 356). Thus, the items in each of the four questions relating to Fox's construct were designed to reflect the factors that constitute unitarism (Strauss & Whitfield 1998, p. 13).

How well do the questions link up with the elements, which make up an abstraction (Oppenheim 1992, p. 162), such as Fox's unitarist construct? As indicated in the previous section, this is largely a matter of judgement on the researcher's part (Schmitt & Klimorski 1991, p. 112). There is no ideal way of determining the validity of a measure (de Vaus 1995, p. 57). The practical task was to design the B series of questions in the survey ('Views on employee management') under the heading, 'Views on employee management' to reflect Fox's framework.

The generation of the content of the questions from the literature, and in this way - particularly with respect to the ideological dimensions – to cover the full range of the definition of ideology (Moser & Kalton 1971, p. 356) - validates the survey questionnaire. The sourcing of the items likewise serves to reflect the factors composing the unitarist ideal-type (Whitfield & Strauss 1998, p. 13; Moser & Kalton 1971, p. 356). The validity of the survey is therefore addressed by identifying the source of each of the questions either in Fox's construct, or in the literature generally, or in other sources for the statements.

4.5 Reliability

Reliability addresses the consistency and stability of measures (O'Leary-Kelly & Vokurka 1998, p. 394) and the degree to which measures are free from error and yield

consistent results (Zikmund 1997, p. 340). The various scales, which had been selected to represent the characteristics of unitarism, were subjected to reliability analysis and exploratory factor analysis to establish the underlying structure of the data.

Cronbach's α tests were used to establish the reliability of the data. This is significant in that the α coefficient represents the probability of concluding that the specified value of the parameters being tested (in this case, the four central characteristics of unitarism) under the null hypothesis may be plausible (Berenson & Levine 1996, p. 388). The α coefficient ranges from 0-1, with the reliability of the findings being greater as the coefficient approaches 1, although there is no agreement among researchers as to the acceptable size of the coefficient. Generally, Cronbach's α with values of .60 to .70 are deemed to be at the lower level of acceptability (Hair Anderson, Tatham, & Black 1998, p. 88). This varies according to the type of research conducted with .60 considered by some as acceptable for exploratory research (Robinson et al. 1991).

With the response rate of 41.2% (n. = 206, see section 4.6 below), and 8 independent variables, the sample size is large enough to reduce the probability of not finding a result. Following the conversions for significance at $\alpha = 0.05$ and power set at .80 (Cohen & Cohen 1983), the sample size more than doubles the minimum size for avoiding type II errors.

The reliability of each of the questions in the survey is tested in the following subsections.

4.5.1   The managerial prerogative scale

In examining the reliability of the managerial prerogative scales, the individual items, overall scale and relationship between the overall items and the individual scale were examined.   Statements B1.7, B1.9, B1.10 and B1.11, whose positive responses (agree/strongly agree) indicated a non-unitarist perspective towards employee participation were re-coded (B1.7R, RB1.9R, B1.10R and B1.11R) to reflect consistency with the other items in the question, where positive responses indicated a unitarist response.   The reliability test of the 'managerial prerogative' scale indicated that the

Cronbach coefficient of 0.7888 would be improved only marginally by the removal of any other item. Therefore, no item was removed from the managerial prerogative scale.

4.5.2 The conflict scale

The second key dimension in the unitarist ideal-type consisted of managers' attitudes towards conflict. This scale in question 3B contained 13 variables. Item B3.3, 'Unions contribute significantly to the presence of conflict in the workplace' was removed and added to the Trade Unions scale (subsection 4.5.4 below). The reliability coefficient (Cronbach's α) for the summated scale was 0.7197, however the analysis indicated that removing B3.1 ('Conflict in the workplace is inevitable whatever management structures are put in place') would enhance the reliability of the scale to .7554, which was acceptable for further analysis. Further analysis indicated that removing B3.1, B 3.12 and B3.5 enhanced the reliability of the scale to .8012, leaving nine statements acceptable for further analysis.

4.5.3 The collective workplace relations scale

The third dimension of the unitarist ideal-type referred to collective workplace relations. Cronbach's α reliability coefficient for the scale, after eliminating items B2.6 (added to the managerial prerogative scale), and B2.7 and B2.8 (both added to trade union scale) was 0.7316. The reliability analysis showed, in addition, that removing B2.9, 'Collective agreement-making enhances employee commitment to shared goals', would enhance the reliability coefficient to 0.8065.

4.5.4 The trade union scale

Two variables, items B2.8 ('The presence of a union in the workplace enhances our ability to deal with the difficult external environment of the 1990s') and B3.3 ('Unions contribute significantly to the presence of conflict in the workplace') were items excluded from previous scales and were deemed to fit with this section. They were therefore included in the reliability analysis. Item B2.7 ('The presence of unions generally reflects a history of poor management in an organization') was excluded from the Collective Workplace Relations scale because of improved reliability for that scale after its exclusion. This item was included for testing in the Trade Union scale. Cronbach's α coefficient improved from

.8777 to .9021 with the removal of B2.8. However, the removal of any other variables produced only a marginal improvement in the coefficient and the correlation coefficient was already excellent, thus, all other items the item were retained.

4.5.5 Limitations on management of employees

Question B5 asked participants in the study to indicate on a four point scale the extent to which they believed that they were limited in managing their employees. Six limitations were specified. These variables were corporate human resource policy, awards, unions, employee resistance and government legislation. The optimum reliability coefficient for the scale was 0.6510, which could not be improved by the removal of any of the 6 variables.

4.5.6 The degree to which managers consult employees

Question C2 referred to the degree to which employees consulted employees in decision-making on a four point scale derived from Dunphy and Stace (1992). The four point scale was re-coded into a two-point scale reflecting participative and exclusionist styles. The reliability coefficient was .8169. With the removal of C2.12R this improved to a Cronbach α of.8209 and a further improvement to .8250 was predicated by the removal of C2.2R ('major policy decisions'). However, since this improvement in the coefficient was marginal this variable was retained.

4.5.7 The degree of managers' satisfaction with employee performance

In question D1, SME managers were asked to identify their degree of satisfaction with employee and firm performance. While some of the items might have referred to both employee and firm performance, they all related to the performance of employees. The reliability test provided a Cronbach α of .8895 on the first run. The deletion of any variable would not have improved that outcome.

In the next section, the issue of the adequacy, or size of the sample is briefly discussed.

4.6 Size of the sample

Roth & BeVier (1998) in scanning the literature on surveys in human resource management and organisational behaviour found variable advice with adequate response

rates varying from 50 percent to 80 percent. Heverlein and Baumgartner (1978 in Roth & BeVier 1998) found that the salience of the issues raised in a survey was associated with higher-response rates. Salience was discussed in terms of functional issues such as addressing worker satisfaction with pay and benefits. An example of a non-salient issue given was a survey addressing norms about feedback. This is ideational in scope, as is the survey in this thesis on managerial ideologies. The average response rate for non-salient surveys was 42 percent, which suggests that the response rate of 41.2 percent for this study is satisfactory.

4.7   Data coding

Coded questions and structured answers were designed to facilitate data entry. SPSS software was utilised for data entry, generating the descriptive data in Chapter 6 in frequency and percentage distributions for the identification of trends (Healy 1991; Moore 1995) and in preparation for data analysis.

4.8   Data analysis

There are ten features of the data analysis in this thesis. The *first* refers to the conduct of the reliability tests of the questions in the survey questionnaire. These were reported previously in section 4.5. Reliability tests discarded some of the variables in each of the four dimensions of unitarism where it was necessary to improve the reliability of the data.

The *second* was the presentation of the descriptive data for each of the variables. This is done in chapter 6. Frequencies throughout that chapter refer to the treated data.

The *third* involved the identification of organisational variables, the personal variables, and the independent variables from survey question B5. The last of these were called limitations variables. Question B5 in the survey questionnaire reflected an extension of attitudes towards managerial prerogative and the role of third parties. Those dimensions include notions about the limitations that are implicit in many of those statements. Principal components analysis, the *fourth* analytical process, reduced the data in survey question B5 to four variables.

Exploratory factor analysis was the *fifth* analytical process in treating the data, classifying the latent variables from the four questions related to the unitarist dimensions and managers' satisfaction with employee performance (survey question D1). This was a matter of identifying homogenous groups of variables from those constituting each of the questions (O'Leary-Kelly & Vokurka 1998, p. 391), and selecting a subset of the variables in each of the questions for further analysis (Hair et al. 1998, p. 95). These were labelled the unitarist variables for questions B1-B4. SME managers' satisfaction with a number of aspects of the workforce's performance (question D.1) is subjected to factor analysis to identify the latent satisfaction variables.

The *sixth* task was to identify a range of consultative, participative and collective practices from questions C1 to C5. Following McDonald and Wiesner (2000), survey questions C1 and C2 provided a set of statements dealing with a range of matters on which managers might consult employees (consultation range variables) and question C2 additionally provided information about the degree to which managers consulted employees on most of those matters. The substantive content of items in these two survey questions suggested categories that referred to consultation on workplace efficiency and consultation on organisational strategy. In this case, the data were set up according to these categories since they could be applied consistently to both question C1 and C2. Question C5 was re-coded into yes/no values consistent with questions C1, C3 and C4. There was no need to treat the data from C3 and C4 other than to select appropriate items for this analysis. The statements about consultative, participative and collective practices in questions C1-5 were called managerial practice variables.

Since the unitarist variables contain ranked data, nonparametric Kruskal-Wallis tests for one-way analysis of variance were appropriate for testing the significance of the impact of the independent organisational and personal limitations variables on the unitarist variables. Spearman's rank correlation was used for the limitations variables. These nonparametric tests constituted the *seventh* set of analyses.

Eighth, the Spearman test for correlation was used to identify whether there were any significant relationships between the unitarist variables and the managerial practice

variables, which reflected a unity of values, beliefs and managerial action in accordance with the notion of ideology defined in chapter 2. *Ninth*, the Spearman test was also applied to explore the relationship between the unitarist variables and SME managers' satisfaction with employee performance, and, *tenth*, to identify whether there was a significant relationship between managerial practices and managers' satisfaction with employee performance.

The forms of analysis described here, apart from the reliability tests, are reported in chapter 6.

4.9   Summary

This study has been grounded in the unitarist ideal-type developed by Fox, and has produced an ordering of the concepts discussed by him and others after him. Theory is tested, rather than being developed. The survey contains a large number of variables designed to ascertain, first, the underlying beliefs and values which managers in SMEs apply to management and, second, whether the patterns of the responses to the questions reflect the unitarist ideology.

The paradigmatic implications of the study led to a reflective discussion on its ontology and epistemology. This was considered necessary since the industrial relations literature suggests, first, that there is no agreement on whether there is an industrial relations paradigm at all and, if there is, what the nature of such a paradigm might be. Second, the debate about the transformation thesis (Kochan et al. 1984) generated questions about whether there has been a 'new' industrial relations or a 'paradigm shift' in industrial relations.

The stance adopted in this thesis is that research is cannot be value-free; theoretical neutrality is impossible; and that any single methodology does not, of itself, reflect the values of the researcher but the use to which the research and the analysis of its results does reflect those values. There is some debate about whether the field of industrial relations is, or should be, normative. Although Fox developed the unitarist model within the context of his critical appraisal of the unitarist managerial framework and his

advocacy for a pluralist industrial relations, the scope of the thesis does not extend to providing recommendations for managerial behaviour in managing employees.

The author's personal history as an industrial relations practitioner, working in unions, his research interests in industrial relations generally and in the study of management practices in SMEs, were significant in the selection of the research topic. The topic itself suggests a critical approach towards managerial ideology by focussing on unitarist characteristics. In rejecting a normative role in which the researcher upholds or debunks the role of managers, the objective of this thesis was set to investigate managerial attitudes towards the four key elements of Fox's unitarist ideology and manager's practices in managing employees. The critical perspectives on management in this thesis were further analysed by considering where the research fitted into Burrell and Morgan's ideal type of the paradigmatic choices available to social researchers. While it is difficult to assign the research to any of Morgan and Burrell's paradigms, the conclusion was that the critical emphasis most closely fitted the radical humanist paradigm. However, since this thesis is primarily a study of ideology in which a long-iterated concept was being tested, the normative recommendations that would normally accompany a radical humanist approach were rejected.

The position of the researcher leads to an implicit critique of the structures of domination within work organisations, in this case SMEs, in the examination of managerial ideology. It was suggested that the approach to the topic resembled the radical humanist approach. Because the study deals with ideology, it aims to identify the ideational foundations of managerial behaviour towards employees. That occurs in the context of the organisation's management structure, which is built on notions of prerogative that have to do with domination. A focus on domination is consonant with the scope of industrial relations research into conflict, power relations, and work processes. The paradigm thus resembles key aspects of the radical structuralist perspective without providing normative solutions. It is also phenomenological because the study of ideology is concerned with managerial subjectivity.

The conclusion is that the topic and the approach to it reflect the radical humanist concern for the social construction of reality without addressing the issue of ideological distortion, and a concern about domination, but not alienation. In other words, this research does not fit easily into Burrell and Morgan's paradigm grid. The topic is not typical of a structural-functionalist, or positivist, interest in the study of management.

The discussion of the research design addressed the issue of conflating methodology and paradigms and took up the view of a number of authors who argued that quantitative methodologies were neither inconsistent with a critical study nor solely the preserve of positivist research. It was noted that quantitative analysis is increasingly apparent in industrial relations research. Oppenheim (1992) warned of the risk of reducing managers' ideology to merely another organisational variable by applying a quantitative research tool to ascertain the attitudes, values and beliefs of managers. Ideology is an abstract phenomenon. However, this risk has been limited by a thorough mounting of questions in the questionnaire survey around key elements of the unitarist construct. This provides a range of proxies for managerial ideology not found in other industrial relations research on managers that is pertinent for analysis.

The survey data were complemented by semi-structured, face-to-face interviews of 19 SME managers, selected from a sample frame of approximately 260 managers, who had responded to an earlier SME survey, and had indicated their willingness to participate further in the SME project. The interviews were tape recorded and transcribed for collation of data and its analysis. The interview program preceded the administration of the survey. The questionnaire addressed three issues: whether there exists a set of beliefs and values about managing employees; the extent to which managers in SMEs subscribe to a managerial, unitarist ideology; and the extent to which these assumptions are reflected in employee management practices within the organisation.

An expert panel and a managers' panel reviewed the content validity of the survey questionnaire according to Lawshe's method. Although all of the questions had been adopted or adapted from other published research or statements in the media, the findings from applying Lawshe's approach raised significant problems for the conduct

of the survey. Lawshe's formula was therefore abandoned. Instead, content validity was determined by referring each question to the literature. Retaining or culling questions relied primarily on whether each item could be justified in terms of the literature, as was reported in detail in chapter 3. This is a matter of both construct validity for each of the questions and content validity for each of the items.

The reliability of the data prior to the analysis was tested by applying Cronbach's α tests to each of the scales derived from questions in the survey, which represented the key characteristics of unitarism. Thus, no items were removed from the question addressing managerial prerogative; nine statements were retained for the conflict scale; and four items were removed from the collective workplace relations scale. After adding 3 items from other scales, the trade union scale lost only one item; the limitations on management scale retained all 6 items. Reliability testing was not appropriate for question C1. No item was removed from the C2 scale, the degree to which managers consult employees. Finally, no item was culled from the question dealing with the degree of managers' satisfaction with employee performance. Given the 41.2% response rate (n. = 206), the sample size is large enough to reduce the probability of not finding a result, and significantly exceeds the minimum size for avoiding type II. The subsequent data were analysed using SSPS, version 11.

The principal statistical tests after establishing the reliability of the data were factor analysis of the four key dimensions of the unitarist ideology, The statements in questions C1 and C2 of the survey questionnaire were not suitable for factor analysis or non-parametric analysis. They were therefore categorised according to their substantive meaning, creating two consultation variables.

In the next chapter, the findings from the interview program are presented.

CHAPTER 5: INTERVIEW RESULTS

5.1   Introduction

In chapter 4 the interview programme and its purpose was outlined. In this chapter, the responses of managers to the interview questions will be reported. Table 5.1 sets out the questions, which constituted the semi-structured format of the interviews. Those questions formed the framework around the discussions with SME managers in and around Brisbane. They related to the keystones of Fox's unitarist construct: attitudes about management, conflict, collectivism and trade unions.

There were 18 questions[23], which guided the structure of the interview programme. The questions covered the four key dimensions of unitarist ideology. The questions dealt, first, with managers' views on managerial prerogative (questions 1, 2, 12, 13, 16, 17) and managing employees (questions 3, 4, 8, 14, 15). Second some questions addressed the interviewees' attitudes towards conflict (questions 7, 15). The third theme of the semi-structured interviews focussed on collective relations in the workplace (5, 10, 11). The final aspect of managerial attitudes referred to managers' views on trade unions (questions 5, 6, 9).

Transcripts for 19 interviews were available for analysis. The list of managers' businesses are set out in table 5.1

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[23] These were listed in chapter 4, sub-section 4.3.2.

Table 5.1: Managers' businesses in the interview programme

Interview Number	Manager's business
1.	Garment manufacturer
2.	Printing
3.	Film and television post-production
4.	Spectacles lens manufacturer
5.	Hardware retailing
6.	Furniture Manufacturer
7.	Abattoir manager
8.	Agricultural engineering
9.	Metals engineering firm
10.	**Transcript unavailable**
11.	Steel fabrication plant
12.	Steel fabrication firm
13.	Tile Retailer
14.	Metals industry
15.	Paint manufacturing
16.	Metals industry manufacturer
17.	Metals manufacturer
18.	Seed crushing plant
19.	Electronics firm
20.	Biotechnology

The material in this chapter is organised around these four dimensions of unitarism, which are summarised in sub-sections 5.1.1 to 5.1.4.

5.1.1 Questions about managerial prerogative

The questions about management asked where they got their ideas about management from and their philosophy about managing employees. The results regarding the source of management ideas are addressed in section 5.2. Attitudes towards managerial prerogative, section 5.3, refers to interviewee responses to questions about the basic principles for managing employees, the principle responsibility of a manager and a question added during the programme on what they considered makes a good manager. Other questions explored the limits on managerial prerogative in terms of the scope of the right to manage, the limits on how far others can encroach on the right to manage, and the degree to which the interviewees believed employees can or should be involved in business decisions. A final aspect of the nature of management examined, in the context of Fox's construct, was the question whether managers have common interests with employees.

5.1.2 Questions about conflict

Conflict was addressed by asking managers what they thought were the underlying reasons for disputes, or grievances, or conflict in the workplace. A second aspect related to how they would deal with employee resistance to changes, which the manager considered necessary for the company to maintain its competitive edge. The results of the SME managers' views on conflict are reported in section 5.4.

5.1.3 Questions about collective workplace relations

Collective aspects of the workplace were canvassed in the interviews. These included asking about their views on negotiation and bargaining and their response to individual contracts, specifically in the form of Australian Workplace Agreements, and their impact on employee commitment, and firm and individual performance. The results of managerial responses to collective aspects of the workplace will be reported in section 5.5.

5.1.4 Questions about trade unions

Managers were asked directly whether they considered unions have outlived their usefulness. Some aspects of managers' attitudes towards trade unions cross into the other themes of the questioning. For example, they were asked whether they think that unions or employee associations distract them from the process of management. Managers' views on trade unions are reported in section 5.6.

5.2 SME managers' source of ideas about management

The purpose of the questions about the source of management ideas was to establish whether a clearly articulated ideology emerged during the course of the interviews. Does discussion of the source of ideas about management reveal a set of beliefs and values, which fit the managerial prerogative dimension of unitarism explicated in chapter 3?

Intuition will, by definition, be guided by the underlying beliefs and values, which constitute an ideology. Experience may reinforce the assumptions applied to the managerial process, even where the manager has received formal management education or training. The interview programme confirmed this reliance on experience. In some cases this was a matter of applying 'experience, feelings as you go' (interview 1, an

owner/manager in garment manufacture), or 'seeing what works and what doesn't' (interview 3, a manager in a media services firm). This ad hoc approach to management was reflected in other cases. In a metals fabricator for the petroleum industry, the manager expanded on the development, personal and collective application of experience as the industry changed:

> Ideas of management … come from experience, I guess, mainly because of our background [which] is more or less into construction. Since 1959, we worked in the old industry and we just learned as we went along (interview 11).

In one case, a family firm, which was jointly managed by a husband and wife team, management was a matter of trying out various techniques:

> We tend to discuss a lot of things, we do things as we fell they will hopefully work and if they don't work quite right then we will change them a week later because they are not working … But neither of us have studied anything. No management degrees (interview 19, owner-manager in an electronics firm).

However, this learn-as-you-go approach can be quite deliberative and experimental, rather than ad hoc. Managers can collect ideas from print and from networking and apply them 'to see if they work' (interview 18, manager in a seed crushing plant).

Some managers are self-taught, such as the two metals industry managers, one of whom (an experienced manager in his early 60s) advised that he 'just came out of the workshop and, to be honest, I have just learned as I have gone along' (interview 14) and the other in a family-managed metals industry firm who observed that 'Generally managing comes from experience — mainly from experience, mainly from self learning' (interview 16). Experience might be modulated by formal management education, as in the case of a manager in an abattoir who depended on 'experience over the years and that has been topped up in recent times by my studies at university studying HRM and production and operations management … (interview 7). Likewise, managerial experience is perceived as going hand-in-hand with technical expertise as in this case from a metals manufacturer:

> In the office here, myself, being the Manager, the Assistant Manager and one of my chief estimators, between the three of us we have something like 100 years experience in the trade. So we are able to recognise things that would be of benefit to us. With the laser machine, for example, it cost $650,000, but we had been planning that for about

three or four years. We made sure that we had the finances there to back it up. We just waited for the dollar to go up and it did' (interview 17).

Nevertheless, on the one hand, experience is something, which a manager might draw on in applying management techniques, but it also might prejudice the handling of a current issue (interview 20, manager in a biotechnology firm). Experience, on the other hand, can lead to a change in the manager's approach:

> I think years ago I used to be more always wanting my way. My way was best in everything. But now, I have learnt to listen to the employees, listen to their ideas. As I said earlier, they are the ones at the coal face so they're the ones doing it 7 or 8 hours a day and they generally have got good ideas on how to improve their own work area and processes and I've got to basically feed off that information (interview 7).

In family businesses, experience may also be gained through mentoring and observation of a parent or relative manager. In two of the four cases in the interview programme, the most significant influence may have been the parent (interview 16). A combination of the respondent's 'own sensibilities' and the parent's managerial expertise (interview 5, an experienced hardware retail manager) led to the development of the manager's personal modus operandi. In a third example, the respondent's father was still actively managing the company and the interviewee was being mentored by a newly-appointed General Manager. The respondent had previously held that position (interview 8, an engineering firm in the agricultural sector). Learning from predecessors, however, is not solely a characteristic of family firms (interview 5).

While the survey indicates that the manager's own experience provides the most significant source of ideas (see chapter 6, sub-section 6.4.2), this may sometimes be in the context of other sources of knowledge about management gained through networking with other managers, reading management literature, attending seminars and courses, the employment of consultants and human resource management or other specialists such as accountants, and membership of general management organisations such as the Australian Institute of Management.

Three of the interviewed managers identified networking with other managers as a key element in the development of their ideas about management. Two belonged to small, self-help organisations (interviews 12; 13):

> … it's like Alcoholics Anonymous for business owners, we're a sort of self help group. And that's probably the main area I get the management ideas from. And someone has a new book or a new idea and we look at that (interview 13).

Other managers belonged to management organisations such as the Australian Institute of Management (interviews 2 [manager in a printing firm], 4, 19) and the Australian Institute of Company Directors (interview 20). Membership of such organisations provides networking potential if members attend meetings and training opportunities through seminars.

The interview programme confirmed the finding in the survey results that managers primarily rely on experience for their ideas about management. What is the significance for questions designed to ascertain whether managers in SMEs apply a unitarist ideology to management? The interview programme did not reveal any propensity for a unitarist perspective in response to inquiries about the source of managers' ideas about managing.

5.3   SME managers' attitudes towards managerial prerogative

Managers were asked to summarise their management 'philosophy' during the interviews. Ostensibly, and so it was intended, this took the interview programme directly to the question of managerial ideology, since among the questions, the SME managers were asked both to articulate their 'philosophy about managing employees' and to indicate what they thought were 'the basic principles for managing employees'.

The interview programme demonstrates that it is difficult to get managers to articulate their management philosophy in open-ended questions at a high level of abstraction. They tended to respond to this question in operational terms relating to such matters as communication (eg, interview 8) and, in general terms, employee involvement (eg, interview 8). When asked what they thought were the basic principles for managing employees, the level of abstraction was likewise low, with managers also, for the most part, seeking operational explanations. Combined responses to these specific questions are set out in table 5.2. Some of the elements, such as communication, in these responses may also be found in responses to other interview questions.

Table 5.2: Operational responses to the interview questions asking managers to summarise their management philosophy and the 'basic principles' for managing employees (n. = 19)

Operational Responses	Number of Interviews	Interviews (%)	Interview number
Communicating with employees/providing information	5	26.3	8, 9, 15, 18, 19
Keeping employees happy	3	15.8	1, 9, 12
Creating a sense of belong to the enterprise	3	15.8	3, 9, 14
Providing opportunities for employee initiative	2	10.5	1, 9
Maintaining empathy and sympathy with employees	2	10.5	3, 16
Having an 'open door' policy	2	10.5	4, 14
Management makes the decisions	2	10.5	2, 5
Involving employees in decision-making	2	10.5	2, 8
Dealing with employees on an individual basis	2	10.5	1, 15
Directing/supervising employees	2	10.5	18, 20
Demonstrating technical competence	1	5.3	7
Paying above average wages	1	5.3	10
Giving clear directions	1	5.3	12
Goal alignment for employees	1	5.3	15
Employee task ownership	1	5.3	3
Seeking employee views on decisions	1	5.3	4
Providing opportunities for employees' financial participation	1	5.3	5
Supportive of employees	1	5.3	12
Maximising employees' capacity	1	5.3	13
Understanding employees	1	5.3	14
Taking the emotion out of management decisions	1	5.3	16
Providing motivation	1	5.3	18
Setting clear objectives	1	5.3	20

Table 5.2 indicates a broad spectrum of operational objectives, which the interviewed managers said guided their tasks as managers. However, no single factor appears to provide guidance for managers in this sample. Of the interviewed managers, five (26 percent) mentioned communication or provision of information when considering their management philosophy or the basis for managing employees, three (16 percent) identified keeping employees happy and creating a sense of belonging to the enterprise as key elements of their approach to management.

There was a limited element of abstraction when the interviewees considered their philosophy. It was expressed singly or in combinations of concepts. These included fairness (26 percent: interviews 1, 3, 7, 12, 16), reasonableness (interview 16), being firm (interviews 5, 7), friendliness (interview 5), being 'very democratic' (interview 4), maintaining an 'open door' policy (interviews 4, 14), leadership (interviews 12, 14),

equality with employees (interview 12), and trust (interview 2). These mainly related to the operational aspects of managing employees.

The interview programme revealed no single foundation or set of common bases upon which managers' prerogative appeared to be established across the sample. The rationales claimed for managerial prerogative included a strategic perspective (interview 1), managerial expertise (interviews 4, 8), knowledge (interviews 4, 8), the need for survival (interview 5), leadership (interview 20) and meeting acceptable returns on capital (interview 2). Two managers whose companies were part of a larger consortium perceived managerial prerogative as inherent in the position held (interviews 6, 7). One saw the manager's right to manage as resting upon the ability of the manager to convince people (interview 9).

Some managers were prepared to involve employees in the decision-making process through discussions, explanations, seeking advice and opinions, or integrating employees into the actual decision-making process (interviews 1, 3, 7, 9, 14, 16, 17, 18), whether this was actively seeking out opinions (eg, interview 19) or through a leadership process (interview 20). Ultimately, though, many managers saw it as their prerogative to enforce a final decision whether or not employees supported it (42 percent: interviews 2, 5, 11, 12, 13, 14, 15, 16, 17, 18, 19) or to step in with a decision because decisions were not being made further down the line (interviews 3, 20). For the manager in paint manufacture, who encapsulated the contradictions of employee involvement in the statement 'You can't run a business on democracy, but some things you are democratic in' (interview 15), managerial prerogative ultimately rules any tendency for involving employees in decision-making. While the interview sample is quite small, this qualitative material tends to conform to a unitarist profile on managers' attitudes towards managerial prerogative.

Views of managerial prerogative reflect an exclusionist perspective on the question of employee involvement were expressed by some of the sample. For a retailer, times were difficult: 'At the moment I'm not into team building. At the moment I'm into survival

mode, not into warm feelings' (interview 5). The manager in a steel fabrication plant put firm limits on employee involvement:

> Well, if it comes to the crunch, I make the decisions because I'm ultimately responsible all the way for the company. Naturally, anybody can make suggestions, which they could be implemented, but if I think I'm right there is no way I would change (interview 11).

Another manager in the metals industry resisted the notion of others encroaching on his right to manage, and put clear limits on the role of employees in management decision-making:

> They can't. It's as simple as that. As far as I see, at the end of the day, I will make a decision and that's it. I will listen and that, I suppose, is where they have an influence on my management. I will listen, but at the end of the day I will make the decision and that's it. It may be the wrong decision. It may not be lawful, but I will live by the decision. And that's it. Someone has to (interview 16).

Similarly, the manager in a seed crushing plant saw his decision-making as final:

> We make decisions which we hope, at the end of the day, are in the best interests of everyone, mainly the decisions I have made to keep the group afloat, make certain the group is profitable (interview 18).

These three examples, however, were not the norm, where most managers in the sample indicated a preparedness to moderate their prerogative with some concessions to involving employees. The involvement of employees is not without problems from a managerial perspective. For example, a manager in a steel fabrication firm concluded that there was great difficulty in making decisions that satisfy all the stakeholders in a firm, especially where employees challenge the decisions made. According to this manager, the employees' lack of perspective creates managerial difficulty:

> It is a constant battle. The people understanding that, I suppose, my job is to keep the shareholders happy and obey this company. And the decisions we make, or I make at this end, are what we believe at the time are in the best interests of those shareholders and the employees. But they don't understand that: that if decisions made here and our customers as well say that if we need to change our starting times around because of daylight saving, and as a manager I think that is the best thing we can do for our shareholders and customers, then okay tomorrow we are going to do that. The reaction is just so bad because I have made a decision that they believe I am not entitled to. But I could go and get the award book and put it in front of them and say that I can do whatever I bloody well like about how you come here, providing it is no more than 38 hours a week. Within that span of hours, you've not got a leg to stand on. But they don't understand that (interview 12).

While two of the questions directly addressed issues of belief and values with respect to management, managers tended to respond in operational terms and none of these responses applied to the sample as a whole. However, there was a stronger tendency to draw a line, guided by managerial prerogative, limiting employee participation.

5.4   SME Managers' attitudes towards conflict

SME managers' responses towards conflict can be categorised in terms of the causes of conflict and the nature of conflict, which emerges in the workplace. Within a unitarist framework conflict is not regarded as belonging to the inherent nature of work organisations, but is a characteristic of a breakdown in organisational characteristics, management failings or the personal failings of, or malfeasance by, employees or unions. The question of whether this is reflected in the response of managers can be addressed by examining the comments made by managers in the panel and set down in table 5.3.

Table 5.3: Management Attitudes Towards Sources of Conflict

Interview No.	Response to questions on conflict	
	Cause	Characteristics of conflict
1.	• personality.	
2.	• personality	
3.	• 80% of the time it's a management related issue.	• more conflict in the workplace when they're [viz., employees] not as busy; • is about June/July and it just happen to correlate with the cold and flu season. People get tired; people get sick; and there tends to be a few conflicts then.
4.	• remuneration is an issue in today's environment.	

Interview No.	Response to questions on conflict	
	Cause	**Characteristics of conflict**
5.	- human nature; - misapprehensions; - different people who all think differently; - you might get staff who couldn't give a shit and there'll be conflict there because you will be saying I want more. - you have legitimate expectations one way or another and the other party let the team down; - either we forget to reward staff because they may have put in extra work or done higher level jobs or didn't get a pat on the back.	
6.	personal unhappiness; people are in different situations basically.	
7.	- two different goals, employees trying to obviously earn more maybe work less and the employer wanting them to work more and earn less so there are conflict goals between the two - money in the pocket	I notice when we kill quite regular — which we are doing right now — we seem, the issues seem to drop right off. Everyone seems to be happy getting their work, their 7 or 8 hours in, and getting their full day's and week's pay packet and the issues aren't as bad [an abattoir].
8.	- lack of communication; - people have either misunderstood what you have said; or - misread; or - don't know the full circumstances.	
9.	if they are not listened to the anxiety builds up until it reaches that stage where they say I want you to do something about this.	
10.	*Transcript and tape unavailable.*	
11.	individual mischief.	
12.	- lack of knowledge; - lack of understanding.	
13.	- poor communication. - if management never sees employees and they have a chance to harbour up all these things, they fester up. Everyone gets shitty.	
14.	we would lose contract with the men's problems and I do that.	these men have got a grievance because the wages are not commensurate with the skills that they are showing.

Interview No.	Response to questions on conflict	
	Cause	**Characteristics of conflict**
15.	• unclearness of our working relationships; • an individual case … and it comes from both sides, either management or an individual employee has a personal grievance born about by a personality conflict; • Someone bringing their values to work or the politics to work which do not align with the business … personal conflict masked as discrimination, unfair treatment or bullying.	• the real relationship that you have with your employees is a lot of unwritten practices and codes and expectations and from time to time those expectations and or that thing is tested; • these are just a natural and actually I think quite a positive thing because people are then testing is this the best way to do something; • This often relates itself in a lot of union problems where you will bring out political ideals that people have in the workplace and you'll end up with that sort of confrontation. That comes from both sides.
16.	• lack of communication; a misinterpretation of our actions or our misinterpretation of their actions	
17.	• they got their hands on conflicting information, the whole thing blew up; • where we may have slipped up in interpreting the award or whatever; • blow ups are normally about money.	
18.	• rumours going around the shop; • sometimes I think jealousy.	• a lot of it is petty.
19.	• personality clashes	• some people can get a bit of an 'us and them' attitude.
20.	*Not addressed*	*Not addressed*

Table 5.3 indicates that the single most common category of explanation for workplace conflict according to these managers lies at the personal level or as part of human nature or interpersonal conflict (interviews 1, 2, 5, 6, 15, 19). Other employee failings identified were jealousy (interview 18), unhappiness (interview 6), employees' lack of understanding or knowledge (interview 12), and different perspectives or even indifference (interview 5). One manager ascribed the cause of conflict to employee mischief (interview 11) and another saw conflict as arising from values and politics, 'which do not align with the business' (interview 15). Employees' failure to meet management expectations can likewise lead to conflict (interview 5).

Management failures in communication were also identified as a key cause of conflict (interviews 3, 8, 13, 14, 16, 17), sometimes arising from not listening to employees (interview 11), and sometimes leading to employees' misinterpretation of management action or vice versa (interview 16) and the growth of anxiety among workers (interview 9). Problems can also occur where there is conflicting information and sometimes as a result of managers misinterpreting employee rights (interview 17). One manager identified the different goals of employees and employers as being the source of conflict (interview 7). Four managers put conflict down specifically to wages issues (interviews 4, 7, 14, 17). Failure to recognise extra work and higher level work performed by employees was also identified as a management failing (interview 5).

The interview questions on conflict did not distinguish between the causes of conflict, on the one hand, or the nature of conflict, on the other hand, and the distinction did not emerge from the interviews. Two managers noted that conflict arises when the workplace is not as busy as usual, or going through a seasonal slack in work (interviews 1, 7), or when people get tired and sick (interview 1). There is an implied causal relationship in these observations, but there is also an implication that conflict is a distraction from work tasks and that workers will become conflictive when they are not kept busy in the workplace. Only one manager implied conflict is a natural and positive element of the employment relationship, where unwritten codes, practices and expectations will from time to time be tested. But, he argued, this also triggers union problems and activates 'political ideals' on both employee and management sides (interview 15). This is characterised as an 'us and them' attitude (interview 19). However, much of conflict is petty, according to one manager (interview 18). Overall, the unitarist perspective was much more in evidence in the attitudes of managers in the sample towards conflict than in their answers to questions dealing with managerial prerogative.

5.5   SME managers' attitudes towards collective workplace relations

In the interview programme, the managers were asked three questions about their attitudes towards collective workplace relations. The first was an open-ended question, which dealt with their general views on negotiating with employees or unions. The

second raised the issue of whether or not negotiations and bargaining encourage a 'them and us' culture. Third, they were asked whether or not they agreed that bargaining is a 'necessary evil'. Managers, unsurprisingly, have a managerial perspective on the negotiation process when asked their views on having to negotiate with employees or unions. However, there is little that is common in the managers' responses to this question.

For a garment manufacturer, negotiation was 'Not a problem: the employees decide what they want. If they're happy then we're happy, we're satisfied.' Citing an example of harmonious bargaining relations, she said the

> union wanted to formalise our training, our working time … They changed it rather dramatically and … in a way it meant flexible hours, which the girls planned. They were then, they were to take their consenting amount of hours …'

According to the manager, this proposal involved increases in the quantum of paid overtime. 'We said, well we couldn't afford that; no way we could afford that. And with that they [the employees] said no we want it to stay as it is' (interview 1).

The manager in interview 2 admitted to negotiation being a personal problem because he enjoys negotiation and finds it a bit of a game. 'When you're dealing with someone's wages they probably take it a bit more personal than that, so no' [it is not a problem].

In interview 3, the manager talked of negotiation in the context of having 'a very open door policy to that' and the success of the business made him feel a 'little bit self indulgent.' Admitting the possibility that 'maybe I haven't got as good an idea as I think I have, he was, nevertheless 'happy to consult on a lot of issues … with them and take submissions and negotiate with them.' However, he drew a firm limit on consultation and negotiation with employees: 'I also have a fairly good idea of where I would like to see it stop too, because there is a line drawn'.

In the fourth case, the manager considered negotiation in the context of there never having been negotiations in his workplace. His perspective was on negotiating with individuals, rather than collective agreements, and saw individual contracts such as the

then Queensland Workplace agreements as being better than negotiated (collective) agreements for his industry (a spectacles lens manufacturer, interview 4).

Some perspectives on negotiation are narrowly focused on the achievement of managerial objectives. On the one hand, the manager in interview 5 saw a 'fair sharing of concerns' as being a primary condition of negotiations. On the other hand, he admitted: 'we don't get involved in it all that much; it's a case of when I need somebody' to perform in some aspects of the business. In introducing a change — in this case, a retailer who decided to open his business on Sundays — he offered incentives. This is not negotiation, except in the most peripheral and informal of senses:

> I make it worth their while … I dream up something and if they don't like it they tell me. Now, is there any duress or any pressure? No! I think [it is] the case of saying, 'guys, we need to do it — dire straits. Are we here or not? Are we in the game or not? Generally I pick people I know will want to anyway. It's a case of juggling balls (interview 5).

Negotiation was seen by an abattoir manager as a necessary part of management 'probably because between management and employees you're coming from two different [positions]', 'where you are trying to reach that happy agreement, common ground': it is 'never always comfortable but that's something you've got to do' (interview 7).

In another case, negotiation was perceived as matters which managers raise with employees: on 'most things you try and discuss with the employees what try and get agreement on whatever whether it's wages, RDOs [rostered days off] … sometimes a group sometimes one to one it all depends really … There's no enterprise bargaining agreement, but we are looking at it for early next year so that will be another interesting issue' (interview 8).

A manager in a metals engineering firm dismissed negotiation as inappropriate for 'this type of organisation' on the grounds that his organisation is small and that management is 'in constant communication with individuals here'. Where there is negotiation, it is on an 'individual sort of basis'. With this approach, he claimed, 'we end up with a suitable

policies that are in place such as how we work the overtime, regular time off, people take their holidays …' (interview 9).

Negotiation has attendant operational difficulties from a managerial perspective. This was the emphasis of one manager who had just completed negotiating an enterprise bargaining agreement.

> We found communication was the problem. How we as managers communicated to employees … Is it a good thing or not, because they don't trust you? As soon as you mention the word EBA [enterprise bargaining agreement] and we are going to do this, it's going to be good for you, it'll give everybody use and stability, because you will know what you are going to earn for the next two years, the company is going to get stability because we know what we are going to pay you for the next two years — they don't trust that. That's a load of rubbish. You show them growths of what the current CPI [cost price index] ratings are. Nothing to do with me. I don't care what the CPI is, this is the money I want (interview 12).

A retail manager openly admitted that negotiation played a very minor role in his business, and it ran on an individual basis:

> I guess you have to classify me as a benevolent dictator type manager. I think I am really nice guy and I think I am looking after everyone, but I am a bit of a dictator. Do it my way or piss off … So, I've never had to negotiate [collectively?]. I negotiate with individuals. I say, you will do this job for that and they say, well I would like a bit more. So minor negotiating, but never had to do any bulk negotiating (interview 13).

A manager in a manufacturing concern, which was part of a larger corporation, did not see negotiating with employees 'whether they are union members or non union members' as a difficult issue. However, he argued, problems arise with the different agendas of 'a third party', and this included both unions and 'from the corporate level'. 'At the end of the day', he concludes, 'you get a compromise situation which is never the best situation. Whereas employee/management group I think you get the best chance of the getting the best deal' (interview 15).

Collective negotiations are a novel experience for some managers and their employees within the context of the development of collective bargaining during the 1990s. A metals industry manufacturer observed, 'We lack knowledge, we lack experience. I lack it, but I don't deny that at all, and the men totally lack it' (interview 16). In this case, the manager was 'comfortable' with the process and the outcome. According to this manager, negotiations had occurred without any bargaining agents:

> On the basis that they didn't want the union involved or they didn't want to go to the union, they felt comfortable, I decided not to go to my organisational body. I wanted to show them a balance. Okay, well, you're doing it on your own, I'll do it on my own. In other words, I'm not going to go out and get someone sitting on my shoulder feeding me with bullets to fire at you guys. But we certainly lacked any guidance, any experience in doing it (interview 16).

Some managers have little difficulty in accommodating the principles of representative and collective relations, although dealing with individual representatives might involve some skills in managing individual representatives:

> I might have a few problems, like I said, with a new shop steward for the first six months, but you start sort of taming him down, well, not taming him down but give him a bit of confidence in what he is dealing with, where he's not going to have to fight you tooth and nail for every little thing. A bit of cooperation from both sides and it's not a difficult situation. It's not difficult. I think in 26 years I can't remember one time the boys have been out on strike even when the union, and of course this is confidential, even when the union have their stop work meetings … We have an arrangement where the shop steward, he can go off to a meeting. He can hear everything that goes on, and all the rest of the workshop come to work. He can come back and he can report to the guys exactly what's gone on. All the guys are kept up to date and I pay him to go to the meeting. So we try to work in with each other rather than against each other. We don't have any troubles here at all (interview 17).

Negotiation can be an informal process on a pragmatic group basis to avoid conflict between individuals, especially with respect to wages:

> We go more on the group level. We would operate group rate like a leading hand or tradesman rate. You would have a million rates otherwise and everyone wants to be paid more than the next bloke because he is better than him in this area. So with negotiation, we come up with a basis and we put it out for discussion, saying, well, this is what we are aiming at, we're going to offer this type of percentage and you give us some feedback. There's a bit of to-ing and fro-ing. I suppose everyone throws in a few red herrings. You get them either a bit agitated. Oh, they can't take that one and they'll want something back and they, you come to some mutual ground (interview 18).

Managers may, however, simply respond to demands:

> Yes, we sit down and talk to them. If they are looking for something whether it be an increase in wages or a new vehicle or they want to go a different tack in their jobs, so we are willing to sit down and talk to them about it (interview 19).

In a non-unionised workplace in biotechnology with a workforce largely composed of professionals, there was little formal negotiation, but the manager regarded employees stakeholders and the emphasis was upon fairness in balancing the interests of shareholders and the employees (interview 20).

Do managers regard negotiations as representative of diverse or common interests? In the interview programme, 65 percent (11 out of 18 responding to this question) regarded negotiation as encouraging a 'them and us' culture; 23 percent disagreed (4 interviewees) and two (12 percent) were equivocal.

The interview questions took this issue further by asking whether or not the respondents or interviewees believed that bargaining was a 'necessary evil'. Managers agreeing with this proposition would be supporting negative implications for negotiations, but not necessarily opposing negotiations as such. Of 12 interviewees who were asked and answered this question, three-quarters agreed with the statement, two disagreed, and one response could not be categorised. Most of the responses included reasons for adopting the position taken. For one manager, negotiation provided an opportunity to explain the firm's situation to employees (interview 1). Two others saw negotiations as an inherent part of a relationship with employees (interviews 8, 15). A third manager expressed the view that the presence of a shop steward and an active union created the situation where he had no choice but to negotiate (interview 14). One admitted, 'I would rather not have to do it'. However, he preferred to get involved in negotiations rather than 'sit back and do nothing' (interview 16). Labour market pressures provided another rationale (interview 18). The other manager in a metal fabrication plant agreed that there were problems with some elements in negotiation, specifying some of the formalities. He preferred to 'be able as a company [to] deal with our employees and not have to worry about going through the industrial commission, have [the agreement] approved and stamped' (interview 12).

Managers, however, were concerned about the adversarial aspects of collective workplace relations. The manager of a garment manufacturing was apprehensive about what the union was telling employees (Interview 1, garment manufacturer) and the manager in a furniture factory regretted losing 'the one on one to be in touch working together in harmony' (Interview 6). The abattoir manager regretted the 'too different goals [of] employees trying to obviously earn more, maybe work less, and the employer wanting them to work more and earn less so there are conflicting goals between the two' (Interview 7). One manager observed that 'even though you do work closely with [some

employees] sometimes you don't have any disputes with them or anything like that. There's some people not really aggro but still to see the them-and-us whether it's from past experiences or past employment and it just takes a while to work that out of the system. You still get that; some people are some people aren't' (Interview 8, Agricultural engineering). Another felt that adversarialism had declined: 'the work force, it's not as hostile anymore as it was' (Interview 11, Steel fabrication plant). Another thought that 'maybe it's not the case today, but up until 20 years ago, a lot of union reps were absolutely ignorant people', blaming union officials for adversarial relations. Reflecting the low visibility of unions in SMEs, he commented that 'I haven't seen too many of the new union men but I'm sure they are a lot more affable than the guys of the past. The guys of the 60's and 70s had a lot of dirt on their chest that they wanted to get off.… I don't want to get this down to a union bashing thing but unions certainly have got a place and I will do my best to have an open door policy here with them, but I don't like the insults that are unsolicited (Interview 14, Metals industry). According to one manager, negotiation 'draws an inevitable line between them [and management].… People say you're anti-union. I say, we are not anti-union, I'm just anti-third party' (Interview 15, Paint manufacturing).

Concern about adversarialism in collective arrangements was not universal:

> '… take our recent enterprise bargaining agreement. I think when you first start, you know, the first couple of times you sit down and start to negotiate these things I think there is a little bit of culture like that. But I really do believe once you get into the bargaining and you talk to the blokes, things going backwards and forwards a bit it settles down and I really do believe that eventually you get to the stage where, okay, you know, we would like a wage rise and the company would like this. We know how the work has been for the last 12 months. And the blokes I really do believe cooperate with the company. And the company cooperates with them. (Interview 17, Metals manufacturer).

In that case the manager addressed diverse interests. However, the manager in a seed crushing plant took a typical unitarist perspective on adversarial aspects of collective relations. Workers, he argued did not 'realise the effort in running the place and what you get out of it at the end of the day sometimes. Not that I'm about to tell them but all they are interested in is what's in it for them'. He sheeted problems home to trouble-makers: 'Most of them and they are normally the ones that are the stirrers' (Interview

18, Seed crushing plant), whereas the manager of an electronics firm denied that her firm had 'a them-and-us [culture] at all' (Interview 19). Differences were regrettable according to the manager in a biotechnology firm: 'I see it most the them-and-us and wish it wasn't that way but it's there between manufacturing people…. There are little things that they lobby for that they would like to get done and they think in terms of management and unfortunately we think in terms of staff. It's a pity (Interview 20,).

The converse of collective relations is the establishment of individualised arrangements. According to the manager of a film and television post-production company, individual contracts have the advantage of 'reward[ing] highly people that we can see are real stars in the organisation. We target the people that we think are the most beneficial to the organization and pay them accordingly' (Interview 3). Another argued that neither he nor his employees 'are sophisticated enough to enter into [collective bargaining] with enough upside. I don't need any more drama in my life. I reckon we can achieve as much on a one to one employee employer basis either renegotiating things but salary arrangements - hours dollars, responsibilities - I don't need to formalize it. I can formalize it on a one on one basis but I don't want to have to deal with it on an en masse basis' (Interview 5, Hardware retailing). This respondent and the manager from a furniture factory thought that individualised arrangements had advantages in enabling employers and employee manage the situation on a one to one basis and resolve the problem of collective bargaining 'not necessarily representing the true statement of affairs' or arriving at the best solution (Interview 6). In the same industry, another manager admitted that he would use individual contracts if he could get away with it, 'but whatever suits you, it always come out' if individual agreements are made clandestinely. 'An individual award in our organisation or in any organisation it makes a lot of discontent'. Overall, he felt individual contracts can 'create a problem' (Interview 11, Steel fabrication plant).

Some managers who supported individual contracts based their argument on exceptionalism. One manager felt that negotiation was unsuitable 'because we are a small organisation in constant communication with individuals here I think to sit down at a meeting they try and negotiate I don't think it sits so well with this type of

organisation' (Interview 9, Metals engineering firm). Negotiation with highly qualified employees on an individual basis was regarded as being necessary in an electronics firm (interview 19).

Most managers found negotiation problematic, a process that needed to be endured. Some of those concerns were about the technicalities and legalities of negotiating enterprise bargaining agreements under the legislation. Commitment to negotiation was rare but an adherence to individualism was not commonly overt. The adversarial aspects of negotiation were a concern for most, but not all, managers.

5.6   Managers' attitudes towards trade unions

Managers' responses to questions designed to ascertain their attitude towards trade unions are set out in this section. In the interview programme managers were asked two questions which were directed towards their views on trade unions. These were: *Do you think that unions or employee associations distract you from the process of management?* And *Do you think that unions have outlived their usefulness?* Both questions were designed to elicit the presence of any unitarist perspectives on trade unions. The first question was designed to link in with notions of managerial prerogative; the second provided an opportunity for managers to comment on what they saw as the role of trade unions. Responses to the first question are reported in column two and responses to the second question in column three. The results from a third question - *What are your views on negotiating with employees, unions?* - are reported in section 5.5 above. Additional comments made in response to this and other questions, which are directly relevant to managers' views on trade unions, have been included in the third column. Because the managers were rather more forthcoming in their comments on trade unions than on some of the other topics, this information has been presented in tabular form (tables 5.4 - 5.6). It encapsulates the views of managers across the two questions and any additional references the interviewees made about unions in the course of the interview.

Table 5.4: SME Managers attitudes towards the view that unions & employee associations distract from management

Inter-view No.+	Unions & employee associations distract from management
1.	Yes, they have, although I can't complain because I had that problem solved by the union [an example provided in the course of the interview]. So, therefore, probably, but I think that probably is still a need for them, yes.
2.	I think they do distract managers from the process of management.
	Not addressed
	Not addressed
	Not addressed
6.	No, not in this situation.
7.	Yes, sometimes they can complicate the process. I myself I was the union organiser for 11 years so I can tend to see both sides of the story
8.	
9.	No, I think they are of value to resource to a small enterprise such as ourselves and I think very important to have the maybe the umpires on either side when required
10.	*Transcript not available*
11.	*Not addressed*
12.	Yes. Well, I mean, as I said with the EBA as well we didn't communicate very well to start off with. That's why we now have a union member who is in our organisation.
13.	I would be delighted. I think I am telling the truth, if people wanted to put in a workplace agreement.
14.	It can be yes. It can be. But if any approach is made to me they are certainly given the courtesies of the day.
15.	Yes, I think so, I think that both those things, and it's difficult to say because there were certainly some good benefits about the employees' association that has some guidelines that allow you to have some discussions. Employees' associations really do not have the strength in the site negotiations as the unions for example.
16.	Not these days … Now, whether that is a change in our management style and therefore our professionals and the way we deal with it, or whether that is a change in the union's attitude or the men's attitude. I don't know. All I know now is we have less discussions with the unions than we ever did. I mean, I haven't seen a union guy here for years.
17.	No. Not at all. Really, as far as dealings with the unions are concerned, it wouldn't take really more than a couple of hours a month out of my time and I wouldn't class that as a distraction. It may take a little bit more time. We have enterprise bargaining agreements I place here and if it's ever going to take up a bit of time, that's when it does … But, in the main, we are able to come to an agreement that suits both sides …
18.	Yes, they are very formalised in how they want to do things. Whereas being a small company, we are not formalised.
19.	I don't know. I don't think so. A diversion from it? Well, I mean, as a manager you have to guess to negotiate different things with your staff at different times.
20.	Having to negotiate with people? No, no, I see that as totally integral. It's part of it.

The interviewed managers who were asked and responded to the first question, *'Do you think that unions or employee associations distract you from the process of management'* were evenly split between those who did believe that unions and employee associations distract them from the task of management and those who did not. The answers were, in some cases, modified by referral to their own experience. A manager in garment manufacture, who answered in the affirmative, referred to an example where the union had solved a problem with a difficult employee, admitted that 'probably' there was a need for the union (interview 1). Another in metal fabrication agreed that union relations was a distraction and that part of management's problems with an enterprise agreement had been management's failure in communication (interview 12). A paint manufacturing manager agreed with the statement and referred to some of the benefits of dealing with employee associations, observing that management does not have the strength in negotiations with trade unions (interview 15).

The reasons provided for disagreeing with the proposition (that is, where managers expressed positive or neutral attitudes towards trade unions) included the value of unions to a small enterprise, especially as an 'umpire' (interview 9), that a workplace agreement was welcome (interview 13), that there is no significant union presence (interview 16), and that relations with unions and employee associations 'wouldn't take more than a couple of hours a month out of my time' (interview 17). Managers in two non-union workplaces accepted negotiation as an integral part of management (interviews 19, 20), although in neither case was there a collective context to their answers to other questions.

When asked whether they believed unions had outlived their usefulness, only 22 percent (4 out of 18 interviews) agreed they had. These results are summarised in table 5.5.

Table 5.5: SME Managers' attitudes towards the view that unions have outlived their usefulness

Inter-view No.+	Unions have outlived their usefulness
1.	They just make extra work …when something is working perfectly fine … it's just an extra an extra complication … They are at the moment trying to do something about the black economy out there and for that we commend them.
2.	No, not all I think form a political point of view I think it's disgraceful thing now with the MUA[24] where we saw some very bad people we saw bosses at their worst … it's a terrible union and it's terrible employers …
3.	No, not at all … the bloke … on the factory floor has certainly got to have someone with a voice speaking for him; that's a collective; that's otherwise single action taken on his part could be no more effective than him having a week off sick.
4.	The role for them is certainly not the way it was a few years ago.
5.	*Not addressed*
6.	Well, I think these days shops not having the other offer to negotiate and I think that it is very sad and that is putting us in a problem situation where unions just demand they just demand …
7.	I don't know I think they are in a bit of a transition stage where they've obviously had to shed off some of the old skin that they've had over the last 50 or 60 years
8.	I mean, if employees and employers can sit down and talk and agree on terms and conditions and whatever else, as far as I can see the union is just a third party …
9.	No, not at all I think they're very important part of the process … I think that, say, from the 70s the unions have become a lot more aware of the importance of their role and less of the antagonistic approach and I think the community in general sort of have some form of respect for them these days, they went through a bad stage in those days … metal trades always in the paper. But I think that's gone. Most people were sympathetic towards the unions and their involvement very important.
10.	**Transcript not available**
11.	Could be **Why is that?** Well, enterprise bargaining and a lot of people I find now want to work on individual contracts
12.	No. … The attitude of coming in saying well, 'I'm pulling everybody out tomorrow because you didn't clean the toilets' probably are gone. The union rep who helped us with our EBA was excellent … I would hope that just the radicalness of the union movement continues to be worked on. I think they do play an important part, but it is communication again and often the ground floor, the roots of the people on the ground floor need somebody else to talk to and to trust besides the management.

[24] This comment refers to the 1998 waterfront dispute involving the Maritime Union of Australia (MUA).

Inter-view No.	Unions have outlived their usefulness
13.	When employers get too much power, they turn into a bunch of pricks and we need each other for balance. And I don't see that you need it for our size as much as the big coal companies, maybe. Although their bloody terms and conditions look pretty good to me. Some employers can screw people and I despise people who abuse people in that way — take advantage of them or screw them or hurt them. I just don't think unions protect from that.
14.	No, I think with these workplace agreements, there is a change back the other way … I don't think the unions have quite the power they once had … but I think unions have got to realise that there is more in life than being a political force. I think you have to look after your men as well.
15.	I think that they are struggling with the changes that are coming. I think the change range in management and industry is enormous. I think management itself is struggling with people developing ideas. Personally, I think the whole society is struggling with the rate of change. … Management or business I think end up being free of that arm hold and able to move because their objectives are far clearer. Whereas I think the union has a great lot of debate to be done and for them to survive some of their political ideals have to be compromised. That's their challenge.
16.	No, I still think there are employers out there who will rip the employees off blind and they definitely need protection. Now whether that comes from the union or whether that comes from another body, I definitely think they are a necessary evil.
17.	No, I definitely don't. I think there is a place for unions and I think there always will be. I really do believe that unions have become a lot more modern in the last 10 years. To me, well especially the union that I deal with, I don't believe they're vindictive, sort of, type of people anymore. Every time they come in here they're prepared to talk quite sensibly. At times, they've even surprised me. They've backed me.
18.	Not that we have much to do with unions at all here. I think they look after the big companies and that's what they are geared to do. And the small business: I don't think they know what to do.
19.	I do … within our industry, our business. What they do out there you only ever see what you see on the news and read in the newspapers is that they tend to cause havoc and lots of upset to lots of people so I'm not interested in them. … That's just not where we see any need.
20.	It's totally as an observer. Yes, as an individual, not that I have had anything to do with unions, but I think that in a lot of industries they probably have, but maybe I am looking at it as an employer and think that employers are willing to be fair balanced and that there are other control mechanisms in the community to make sure that there is this balance. I think they have achieved a lot for individuals in the past, so I have that view … I'm not in any large industries where maybe there isn't that good negotiating power that I know individuals have in our organisation. They can come up to us anytime.

One manager inferred that unions, as 'just a third party', were not relevant 'if employees and employers can sit down and talk and agree on terms and conditions' (interview 8). Fifty percent (9) disagreed with the proposition. Another 28 percent provided answers that could not easily be categorised as agreement or disagreement. The reasons given for agreeing with the proposition were diverse: the growth of individual contracts (interview

11); union powerlessness (interview 13); the specific characteristics of the business and industry, and because unions 'tend to cause havoc' (interview 19); and the presence of 'other control mechanisms in the community to make sure there is balance' (interview 20).

There was a wide range of reasons given by those managers disagreeing with the proposition. The garment manufacturer praised the clothing industry union for 'trying to do something about the black economy' of sweated outwork (interview 1). The manager in a printing firm condemned the activities directed against the union in the waterfront dispute of 1998, notwithstanding he regarded the Maritime Union of Australia as 'a terrible union and its terrible employers' (interview 2). Three managers held the view that employees needed representation (interviews 3, 12, 16), notwithstanding that unions might be a 'necessary evil' (interview 16). A complementary perspective was offered by those managers referring to the power of employers. A retail manager believed there was a need for balance because 'When employers get too much power, they turn into a bunch of pricks', while unions could not protect employees against being 'abused' or employers who 'screw people' (interview 13). A manager in the metals industry noted that the individual arrangements in Australian Workplace Agreements have turned the power balance back towards employers (interview 14). Another manager in the metal industry (an engineering firm) saw unions as 'an important part of the process', in particular because they now take a less antagonistic approach (interview 9). Changes in union strategies received comments in a number of other interviews (interviews 7, 12, 17).

Some SME managers in non-union environments also take an exceptional approach to trade unions: that is, that trade unions are relevant for larger organisations, but do not belong in the smaller business environment (interviews 19, 20 and interview 9).

The question on the managers' attitudes towards negotiating with unions and employee associations and other comments about unions throughout the interviews raised a complex set of responses. These are summarised in table 5.6.

Table 5.6: SME Managers attitudes towards unions

Inter-view No.+	General comments about unions in the course of the interview
1.	… we have a good relationship with the union … they still have to come back all the time.
2.	You've got to have some sort of watchdog … I don't think we should trust management the same as we don't trust governments.
3.	*Not addressed*
4.	*Not addressed*
5.	I'm lucky we are not unionised. We're lucky we're a single side.
6.	There should be more negotiation rather than demand
7.	It's never always comfortable [having to negotiate with employees] but that's something you've got to do. … In July '97 we had a lot of union trouble here which culminated here in sacking of 35 employees … and basically they were given wrong advice by their union and they breached all industrial relations laws and they were thrown out by the Commissioner and from that day on most of the employees voluntary, with no pressure from the management … getting little support from their union they all relinquished their union membership.
8.	*Not addressed*
9.	I must admit we are a bit more reluctant to ring the union about issues because we have found in the past, even though I find the union movement far better to deal with in modern days, where they had a more aggressive approach that to these matters instead of a conciliatory approach. I think because we are a small organisation in constant communication with individuals here I think to sit down at a meeting they try and negotiate I don't think it sits so well with this type of organisation.
10.	*Transcript not available*
11.	… we have hardly have a talk to the unions in our case while they're all in the union because of the refinery. See, the refinery was more or less like a closed shop, nobody could look unless it was in the union. But now this all has changed since the enterprise bargaining side of it. The people who say they want to be in the unions — we don't enforce it. I say it's entirely up to the individual if he wants to join a union or not. But we never had any problems with a union and we never had really any tough negotiations with them …
12.	Well let me put it this way. When I first got started in DIY [do it yourself] in 1977, I had been in the bank, the Commonwealth Bank Officers' Association — which was hardly a union — and within a week of me, as a bank person, taking over this tile importing company, our company got black-banned by the Storemen & Packers Union … If people want to be in the union, they can join, if they don't want to join, they don't have to. And I have had a very good association with the Storemen & Packers Union over the years, only because I learnt the rules real quick. But the only people I resent: I hate bullies on either side.
13.	Unions, I have troubles with, big trouble with because of experiences I have had and not because of antagonism towards unionism … I asked everybody to be in the union. And I stick strictly to awards. There is no such thing as these agreements and what have you. I asked everybody to be in the union. There would two or three out there that are not in the union, but I am not pressing it.

Inter-view No.+	General comments about unions in the course of the interview
14.	People say you're anti-union. I say, we are not anti union. I'm just anti third party.
	I see that negotiating with your employees whether they are union members or non union members is not a difficult thing … the difficulty I believe with a third party is that they've been on different agendas. Whether they've been on a union agenda and they have to represent wider than your site and your business and they have other pressures and objectives and needs that they when they sit down to negotiate the EBA be mindful of what other members are representing outside your site.
15.	Q. You didn't think of perhaps getting a facilitator in?
	A. Didn't want to. We wanted to do it on our own. My preference would have been to deal with the unions.
	Q. Why is that? A. Professional understanding. And as it is turning out I think these guys came from the workshop floor. The three on the EBA committee, they were selected from the workshop floor, but it is now at the stage, I can see, that there is a rift happening between them and the men. They start with so, hang on, you're one of their goonies, you're one of their boys. Had it been the union, it would have taken that out all together. And we still would have achieved what we achieved I think.
16.	I think they [unions] are an important part of the workshop. I tell you how unions go around here. Initially you might start off with a new shop steward on the workshop floor. He's just been elected by the blokes on the workshop floor and he's all fired up and rearing to go and he's ready to tear you apart. He's ready to have fight on any issue. But where the challenge comes in there is that you've got to break him down and bit by bit you can break him down. So where you have confrontation you have to turn that into discussion and you can turn that around very easily. It's not difficult. You know where every guy on the workshop floor is on the union out there. Hey, we don't have any problems with it.
17.	Negotiation is to a point. But it's more in a group on our levels of employees.
18.	Yes, we sit down and talk to them [employees]. If they are looking for something whether it be an increase in wages or a new vehicle or they want to go a different tack in their jobs, so we are willing to sit down and talk to them about it.
19.	I've not had to negotiate ever with unions so I don't have that experience.
	Q. So this is a non-unionised workplace?
	A. Yes, it is a non-unionised workplace with professionals. There are codes of conduct and principles, I guess, and fairness has to come into it and trying to make sure that in any decision or any negotiation that I clearly understand, the motivation is on both sides. And then you've got the issue of doing the best for the shareholders, but you really look at the stakeholders and the employees have a big stake in this company.
20.	*Not addressed*

Only five of the interview sample (29 percent) gave a response supportive of unions in the workplace (interviews 1, 2, 11, 16, 17). The first referred to relationships with the union. The second referred to unions in terms of general principle: 'You've got to have some sort of watchdog' (interview 2). Another preferred to deal with the unions because employees and management generally do not have sufficient experience to negotiate agreements (interview 16). Two others accepted the presence of unions as part of the industrial landscape (interview 11, 17).

A majority of the managers in the interview sample (65 percent) were negative about trade unions or trade unions did not figure in their perspectives about dealing with employees. One manager openly admitted, 'I'm lucky we are not unionised. We're lucky we're a single side' (interview 5), a mainstream unitarist perspective on the organisation. Another denied being anti-union, saying, 'We are not anti-union. I'm just anti-third party' because 'the difficulty … with a third party is that they've been on different agendas' (interview 15). Some of the interviewees, when asked to talk about negotiation with unions or employee associations, spoke in terms of negotiating with a 'group' or talking to employees (interviews 18, 19) or non-union negotiation (interview 20). This approach was also inferred by a manager in a non-unionised workplace who, in the context of talking about unions, observed that 'if we don't look after our employees they're going to go and they're going to make a huge, potentially a huge dent in our business' (interview 3).

Previous, difficult experiences with unions governed the negative approach to unions subscribed to by some managers. In one such case the manager regarded negotiating with unions as necessary, but uncomfortable (interview 7). Another would only contact the union reluctantly (interview 9). Two spoke of incidents with antagonistic union officials, one of which occurred 20 years previously. In both of these last two cases, the manager tolerated, but did not promote, union membership (interviews 13, 14). A manager in a unionised workplace complained of union demands replacing negotiation: 'unions do not allow someone to negotiate. They demand, but what I feel sorry is to see what they are demanding and how it will effect [the company] in the long run. They're not interested' (interview 6).

The overall picture of this sample of SME managers' attitudes towards trade unions is summarised in table 5.7. The table indicates three patterns of responses in managers' articulation of their attitudes towards trade unions in the interviews.

Table 5.7: Attitudes towards trade unions, summary of responses

Interview No.	Unions distract from management	Unions have outlived their usefulness	General comments on unions.	Summary[1]	
1.	NEG	POS	POS	1N 2P	Positive
2.	NEG	POS	POS	1N 2P	Positive
3.	N/A[2]	POS	NEG	1N 1P	Indeterminate
4.	N/A	NEG	NEG	2N	Negative
5.	N/A	N/A	NEG	1N	Negative indication
6.	POS	NEG	NEG	1P 2N	Negative
7.	NEG	N/A	NEG	2N	Negative
8.	N/A	NEG	N/A	1N	Negative indication
9.	POS	POS	NEG	2P 1N	Positive
10.	*Transcript not available*				
11.	N/A	NEG	POS	1N 1P	Indeterminate
12.	NEG	POS	N/A	1N 1P	Indeterminate
13.	POS	POS	NEG	2 P 1N	Positive
14.	NEG	POS	NEG	2N 1P	Negative
15.	NEG	NEG	NEG	3N	Negative
16.	POS	POS	POS	3P	Positive
17.	POS	POS	POS	3P	Positive
18.	NEG	NEG	NEG	3N	Negative
19.	POS	NEG	NEG	1P 2N	Negative
20.	POS	NEG	NEG	1P 2N	Negative

1. In some cases where the response was difficult to categorise, the attitude was inferred from the total context of the interviewee's responses.
N. = Negative attitudes towards trade unions. In both the second and third columns this is reflected in response in which the manager agrees with the proposition.
P. = Positive attitudes towards trade unions. In both the second and third columns this is reflected in responses in which the manager disagrees with the proposition.
N/A = the respondent made no comment on this issue.

Where the responses in the interview indicate more than one positive or more than one negative characteristic, the interviewee was identified as demonstrating the respective attitude towards trade unions. In the case where there was only one response, that response (in the two cases where this occurred, the negative) is characterised only as an

'indication'. Managers for whom there were only two answers and they demonstrated one negative and one positive attitude, it was not possible to conclude at this level of analysis whether they were more or less antipathetic than sympathetic towards trade unions. They were, therefore, categorised as 'indeterminate'.

The results indicate that around half of the respondents (10) expressed either negative attitudes towards unions across the three sets of answers or they had a single negative indication. Six managers (32 percent) reflected positive responses and three (16 percent) demonstrated an indeterminate picture of their attitudes.

Question 6 in the interview schedule asked whether the managers thought that unions or employee associations distract them from the process of management and was designed to elicit negative comments of the sort which are expressed in question B4 of the survey. Only six of the respondents agreed that unions did distract managers from the management process. However, of these, two of them qualified their answer with a positive observation about trade unions. In response to the proposition that unions had outlived their usefulness, most of those managers who agreed modified their comments with a positive union statement or a neutral observation. There was a clear disagreement with the statement from eight of the participants in the interview programme.

5.7   Summary

Across each of the topics there was no overriding unitarist ideology evident among the SME managers in the interview programme, although there were isolated statements, which sat comfortably with those characteristics of the unitarist delineated in chapter 2, and the managers' attitudes towards conflict tended to reveal a unitarist character.

In considering the nature and ideology of management, the respondents tended towards operational rather than abstract contemplation and there was little common guidance for management apparent across the sample. Where managers did address the ideational aspects of management it was limited to concepts of fairness, reasonableness, friendliness, democracy, accessibility, leadership, equality and trust. All of these, however, were limited both in scope and in the extent to which they applied to managers in the sample. Where the SME managers indicated tendencies towards inclusion such as

employee participation, its scope was curtailed by falling back on managerial prerogative. Some respondents were inclined to exclude employees from significant participation.

None of the managers in the interview programme denied the presence of conflict in SMEs. The explanation of conflict did reflect aspects of the unitarist model of conflict, especially the attribution of various failings to employees and managerial failures. However, this was not overwhelming in any respect.

Unitarist characteristics were quite evident in attitudes towards collective workplace arrangements with almost two-thirds regarding negotiation as encouraging a 'them-and-us' character. Three-quarters agreed with the proposition that negotiation was a necessary evil. Few of the managers appeared comfortable with having to enter into collective bargaining.

Managers had much more to say about trade unions. The scope of their answers to the two questions they were asked about their attitudes towards trade unions suggested that, in some cases, their experience was significant in shaping their attitudes. These varied from rejection of unions to positive acceptance of a role in their workplaces. What was quite unexpected was the view that unions had a place in industry but not in their businesses, and especially in small and medium sized businesses: A little more than one-fifth of the sample agreed with the proposition that unions had outlived their usefulness. However, nearly two-thirds of the managers subscribed to negative perspectives about trade unions.

In chapter 6, the findings from the survey data are reported and analysed.

CHAPTER 6: SURVEY RESULTS AND DATA ANALYSIS

6.1   Introduction

SME managers' responses to the questions on managerial prerogative, collective workplace relations, conflict, trade unions and some other descriptive data derived from the survey questionnaire provide the variables for the data analysis in this chapter. There was a generally low level of support for the statements in each of the four questions, designed specifically to reflect the characteristics of unitarism.

There are several possible responses to this observation. One response is that managers might apply a mix of unitarist and pluralist frameworks and strategies, as Wright (1995) suggests. Another is that managerial behaviour might not reflect managers' subjective beliefs and values because of various constraints placed on them by unions, other third parties, and government regulation (Kochan et al. 1994). Yet again, there might be no consistent body of ideas and action constituting an ideology and managers pragmatically deal with the problems and challenges at hand in managing the employment relationship, using whatever strategy seems most likely to achieve organisational objectives.

6.1.2   Arrangement of Chapter 6

In chapter 4, section 4.8, the features of the data analysis were outlined. These provide the basis for conclusions to be discussed in chapter 7 about whether SME managers subscribe to an identifiably unitarist ideology.

In section 6.2 the arrangement of the data according to the questionnaire is outlined. The independent contextual variables (the A series of questions) are developed around the organisational characteristics of the small and medium sized enterprises (SMEs), presented in section 6.3 and the personal characteristics of the respondents in section 6.4.

Questions B1 to B4 are the salient questions addressing the four central dimensions of Fox's unitarist ideology. The descriptive data for the unitarist dimensions are found in section 6.5. Question B5 reflected an extension of attitudes towards managerial prerogative and the role of third parties. Those dimensions include notions about the limitations that are implicit in many of those statements hence they were called the limitations variables

and were included with the organisational and personal characteristics. Principal components analysis reduced the data in survey question B5 to four variables. Section 6.6 presents the limitations variables from question B5.

Exploratory factor analysis treats the data derived from questions B1 to B4, classifying the latent variables from the four questions related to the unitarist dimensions. This was a matter of identifying homogenous groups of variables from those constituting each of the questions (O'Leary-Kelly & Vokurka 1998, p. 391), and selecting a subset of the variables in each of the questions for further analysis (Hair et al. 1998, p. 95). These were labelled the unitarist variables for questions B1-B4. The results are reported in section 6.7.

The C-series of questions referred to managerial practices. Questions C1 to C5 identified a range of consultative, participative and collective practices. Descriptive data for these practices are reported in section 6.8. In this section, questions C1 and C2 refer to the categorisation of the range and degree of managers' consultation with employees in SMEs. Following McDonald and Wiesner (2000), survey questions C1 and C2 provided a set of statements dealing with a range of matters on which managers might consult employees (consultation range variables) and question C2 additionally provided information about the degree to which managers consulted employees on most of those matters. The substantive content of items in these two survey questions suggested categories that referred to consultation on workplace efficiency and consultation on organisational strategy. In this case, the data were set up manually according to these categories since they could be applied consistently to both question C1 and C2. Section 6.9 presents the descriptive data for the practices identified in questions C3, C4 and C5. Question C5 was re-coded into yes/no values consistent with questions C1, C3 and C4. There was no need to treat the data from C3 and C4. Only the descriptive data are provided for questions C3, C4 and C5.

Factor analysis of managers' satisfaction with employee and organisational performance (question D1) is reported in section 6.10 to identify the latent satisfaction variables. Then, in section 6.11 the significance of the relationship between the organisational characteristics, personal characteristics and the limitations variables and the unitarist variables is analysed. Since the unitarist variables contain ranked data, nonparametric

Kruskal-Wallis tests for one-way analysis of variance were appropriate for testing the significance of the impact of the independent organisational and personal limitations variables on the unitarist variables. Spearman's rank correlation was used for the limitations variables. The Spearman test was used in section 6.12 to identify whether there were any significant relationships between the unitarist variables and the managerial practice variables, which reflected a unity of values, beliefs and managerial action in accordance with the notion of ideology defined in chapter 2. The Spearman test was also applied in section 6.13 to explore the relationship between the unitarist variables and SME managers' satisfaction with employee performance. The same tests were applied to identify whether there was a significant relationship between managerial practices and managers' satisfaction with employee performance. The chapter concludes in section 6.12 with a summation of the analysis.

In section 6.2, the arrangement of the data are reiterated.

6.2 The arrangement of the data from the survey questionnaire

The data fall into four sections corresponding to the four sections of the questionnaire:

Section A: 'You and your organisation';
Section B: 'Views on employee management';
Section C: 'Structures and processes'; and
Section D: 'Outcomes'.

In Section A, there were two sets of variables: those referring to the organisations and those referring to the respondent. Organisational characteristics included questions on organisational size, industry, the principal product or service, unionisation, union presence, and whether the business was family-owned. Personal characteristics included the management level of the respondent, highest level of education, source of ideas about management, whether the respondent is an owner, age, and gender.

Proxies for the unitarist ideology were designed around four questions corresponding to the key dimensions of unitarism: managers' attitudes towards managerial prerogative, conflict, collective workplace relations and trade unions. These four questions and managers' responses form the core of the analysis in this chapter. In addition, questions addressing

managerial practice and SME managers' perspectives of the outcomes will be incorporated into the analysis.

Question B1 tested the first of the four dimensions of unitarism, which relates to SME managers' views about managerial prerogative. This latter term was not used among the 17 variables that originally constituted the question on SME managers' attitudes towards management.   Collective workplace relations were the subject of managers' views in question B2. There were 18 variables in the survey questionnaire dealing with collective arrangements and processes (the third dimension discussed in chapter 3).   Managers' attitudes towards conflict were the subject of question B3.   This item was the second dimension of unitarism discussed in chapter 3. Thirteen items were included in the list of statements to which SME managers responded. The final set of questions, among those dealing directly with the dimensions of unitarism (B4), consisted of 14 statements about trade unions on which SME managers were asked to express their attitude.

The final question in the B-series referred to the SME managers' perceived limitations on the management of employees. This was treated separately from the other B questions, which related to managerial practice, as a contextual characteristic because the limitations arise from factors with which the manager has to deal.

Questions in the series C1-C5 explored managerial practices with respect to consultation with employees and employee participation. Question C1 dealt with a range of matters on which managers might consult employees and the degree to which managers might involve employees in decision-making was explored in question C2.

Questions C3-C5 dealt with forms of consultation. The first of these questions (C3) dealt with eight methods of consultation, which might be applied to the issues in questions C1 and C2. The second (C4) asked managers to indicate whether they had 'initiated, increased or maintained' any of 13 practices and process. Question C5 canvassed a further range of practices, which the manager might have employed in the previous three years.

Finally, the survey concluded with a question on organisational outcomes, which asked on a four-point scale whether or not the SME manager was satisfied with 17 aspects of workforce performance.

6.3 Organisational characteristics of SMEs

The organisational characteristics selected for further analysis included five variables. These are set out with their labels in table 6.1, and include size, industry sector, unionisation, union presence and family business.

Table 6.1: Characteristics of the organisation

Survey Question	Label	Characteristic	Categories
A1	SMESIZES	SME size	• Small: ≤ 100 • Large: 101-200
A2	INDUSTRY	Industry	• Manufacture, construction, resources, primary industry. • Service
A7	UNIONISN	Managers' perceptions of the percentage of union members in the organisation	• 0-10% • 11-50% • 51-75% • >75%
A8.1-A8.3*	UPRESENC	Union Presence	
A9	FAMLYBUS	Organisation owned by a family	

* A8.1, A8.2 and A8.3 had been entered as separate variables and subsequently computed into a single new variable for the analysis.

The descriptive data for each of these variables are presented in sub-sections 6.3.1 to 6.3.5 below.

6.3.1 SME size

The number of employees in an organisation is obviously one of the criteria commonly applied to definitions of small and medium sized businesses (Barrett 1998a, p. 1), as discussed in section 2.3 of chapter 2. Curran (1990, p. 129) argues that size plays some part in the functioning of organisations, but only if it is considered in relation to other factors. Other factors such as turnover may be taken into account in defining SMEs. Notwithstanding that a number of elements might be utilised in the definition of an SME, in McDonald & Wiesner's studies of SMEs in Australia size was utilised as the sole criterion

because of their principal interests in organisational change and employee management practice (McDonald & Wiesner 1998). They defined small firms as those firms with up to 100 employees and medium sized firms employing between 101 and 200 employees. This study, as part of that project, continues the application of those size categories. Although smaller ranges were used in the survey questionnaire, the number of size categories has been compressed into small and medium sizes for this thesis.

Dunn and Bradstreet had provided the original sample frame used in the research by McDonald and Wiesner on managers in Australian SMEs. One of the criteria was organisations employing between 21 and 200 workers, so at some point the SMEs had satisfied the size criterion. Although the sample was designed to capture firms in this size range, 12.1 percent were smaller and 3.4 percent were larger than the target range. This might be accounted for in the first instance by firms downsizing in the period between the establishment of the database by Dun and Bradstreet and the conduct of the survey. Larger firms may have expanded. There is no definite information from the survey results available on upsizing or downsizing in this sample. However, in other studies based on downsizing in Australia and New Zealand, Wagar and Gilson (1996, p. 92), also using a Dun and Bradstreet database, found that 36.1 percent of Australian firms had downsized in the previous three years. In the national survey conducted by Wiesner and McDonald in the same quarter in 1998 as this survey was conducted, 42.6 percent of SMEs reported they had reduced their workforce over the previous two years. Likewise 56.8 percent of SMEs reported they had made no reductions at all. It is not unreasonable to assume that some of the latter would have actually increased employment, the assumption applied here being that the size of these businesses could still be very close to the cut-off point of 20 employees at one extreme and the 200 employee cut-off for medium sized businesses. There was no question on increases to employment numbers in the survey developed for this thesis.

The distribution of SMEs among the size categories is set out in table 6.2. Eighty-one percent of SMEs in the sample were small businesses, and 19 percent were medium sized businesses.

Table 6.2: SME Size (n. = 206)

Size Category	Frequency	Percent
Small	167	81.1
Medium	39	18.9

In response to the question, A1: *How many employees are in your organisation?*

Twenty-five SME managers (12.1 percent) reported they employed fewer than 20 employees. These were included in the count.

6.3.2 SME industry sectors

Question A2 asked respondents to identify the industry in which their business was located. Table 6.3 sets out the compressed sectors for manufacture, agriculture, resources, power and construction, on the one hand, and service industries, on the other.

Table 6.3: SME industry sector (n. = 184)

Industry Sector	Frequency	Percent
Manufacture, agriculture, resources, power and construction,	102	55.4
Service	82	44.6

In response to the question, A2: *Is your business in [ABS industry categories]*

The largest proportions of respondent organisations in the industry categories were in manufacture (39.6 percent), followed by community service (10.9 percent), finance (9.4 percent), construction (7.8 percent), wholesale (7.8 percent), retail (5.7 percent), and transport (4.7 percent).

6.3.3 SME managers' estimates of unionisation in SMEs

Managers were asked to estimate the percentage of union members in their workplace. While their estimates may or may not be reliable in presenting an accurate picture of union membership, it does reflect SME managers' *perceptions* of union membership. For this study, managers' social construction of the characteristics of the workforce is more pertinent to the ideology of managers than the actual level of unionisation. Almost three-quarters of the sample claimed either no employees or less than ten percent of workers belonged to unions. This is reflected in table 6.4.

Table 6.4: Managers' estimates of percentage of union members in SMEs (n. = 206)

Estimated Percentage of Employe who are Union Members	Frequency	Percent	Cumulative Percent
0-10%	153	74.3	74.3
11-50%	29	14.1	88.3
51-75%	13	6.3	94.7
>75%	11	5.3	100.0

In response to the question, A7: *To your knowledge, what is the percentage of union members?*

Other features of union presence in the workplace may be ascertained by the presence of a union delegate or shop steward, visits by full-time union officials, or the raising of issues from a union perspective. This is considered in the next sub-section.

6.3.4   Union presence in SMEs

In designing the questionnaire and the organisational demographics of SMEs, attention was paid to unions in the workplace both in terms of managers' perceptions of the unionisation of the workforce and whether or not they were aware of a union presence. Three measures of union presence were used: the presence of a union delegate, visits at least once a year by union officials, and whether or not employees raised issues 'from a union perspective'. This last term was not explained to the respondents. The rationale for not explaining the term was that there might be a number of ways in which it could be apparent, from a manager's point of view, that employees either were influenced by a union or were used to dealing with workplace management issues from the perspective of union representations. The question, therefore, was left open to interpretation by the respondents.

Only one quarter of managers reported a union delegate in the SME, 41.2 percent were visited by union officials at least once a year, and just over a quarter had experienced issues being raised from a union perspective. These results are set out in table 6.5.

Table 6.5: Managers' perceptions of union presence in SMEs

Aspect of Union Presence	Frequency	Percentage of SMEs	n.
Presence of union delegate	39	25.8	151
Full-time official visits at least once a year	56	41.5	135
Union members raise issues from a union perspective	35	26.9	130

In response to the question, A8, *Is the union active at your workplace? 1. There is a union delegate on site; 2. A full time official visits at least once a year; 3. Union members raise issues with me from a union perspective.*

Respondents who had advised that there were no union members had been invited to skip this question (A8). Notwithstanding that 74.3 percent of managers (153) had advised there were no union members or less than 10 percent unionisation, 73 percent (151) of the sample indicated there was a union delegate in the workplace. One hundred and thirty-five (65.5 percent) advised that a full-time official visited at least once a year, and 63 percent of the sample (130) claimed union members raised issues with management from a union perspective. The possible inconsistencies between answers to questions A7 and A8 were not considered as threatening the integrity of the relationship between respondents' *perceptions* of characteristics such as unionisation and union presence and their *attitudes* towards the items in questions B1 to B6. The perception is also more important for the question of the ideology to which SME managers might subscribe. For the purpose of further analysis, the three elements of union presence were combined into a single variable with the label, UPRESENC.

6.3.5 The SME as a family business

The first part of the survey also addressed the issue of whether or not the work organisation was a family business. Two questions related to this issue from an organisational orientation. The first question addressed whether the SME was a family owned business (FAMLYBUS). The second question referred to whether or not family members actively manage the business. The final organisational characteristic to be considered in the analysis therefore is family ownership. This latter characteristic is not considered in this analysis, since question A11, 'Are you an owner of this company?' was included among the personal variables. Family management is reported in table 6.6, however, which summarises the results of the organisational questions relating to family ownership.

Table 6.6: Family ownership and management of SMEs

Family Characteristic	Frequency	Percentage of SMEs	n.
Organisation owned by a family[a]	99	48.1	206
Family members actively manage the business[b]	89	74.2[c]	120

a. In response to the question, A9: *Is this organisation owned by a family?* b. In response to the question A10, *Do the family members actively manage the business?* c. That is, in 74.2% of businesses, which are owned by a family, the business is also actively managed by family members.

Ownership by the manager could refer to a characteristic of the firm as in the family business literature (for example, Riordan & Riordan 1993; James 1999). However, since

this thesis is concerned with managers' values and beliefs, it was deemed more appropriate to include this feature as a characteristic of the manager in order to explore the relationships between ownership and attitudes towards the unitarist variables, which the factor analysis identified. As table 6.6 illustrates, just under half the SMEs surveyed were family-owned businesses.

6.4 Personal characteristics

The second set of questions in Section A of the survey questionnaire consisted of certain personal characteristics of the respondent managers. Of the six characteristics of managers in Section A of the questionnaire, five were retained for the analysis and are listed in table 6.7. The question excluded was A4, 'What is the management level of your current position?' Since the survey had a 95 percent success rate in achieving responses to the CEO, manager reporting directly to the CEO, or a senior manager, this became a redundant question, and was abandoned for further analysis.

Table 6.7: Characteristics of the SME manager

Survey Question	Label	Characteristic
A5	MANQUALS	Manager's qualifications
A6.1	MANIDEAS	The source of managers ideas about management
A11	MANOWNER	Whether the manager is an owner or not
A12	AGE	Age classification of the manager
A13	GENDER	The manager's gender

Each of these independent variables is considered in sub-sections 6.4.1 to 6.4.5.

6.4.1 SME manager's qualifications

The survey contained a question on the highest level of formal education obtained by the respondent manager. Managers' formal education was split evenly between a secondary school certificate, an undergraduate degree, and postgraduate diplomas or certificates. In all, 60.3 percent of SME managers in the sample had a tertiary qualification. TAFE qualifications and trade certificates were less common. Question A5 contained six levels of formal education. The levels of formal education of SME managers is set out in table 6.8.

Table 6.8: SME manager's highest levels of formal education (n. = 206)

Levels of Formal Education	Frequency	Percentage of Respondents
Secondary school certificate	49	24.0
TAFE qualification/formal trade certificate	23	11.3
Undergraduate degree	50	24.5
Postgraduate qualification	73	35.8
Other	9	4.4

In response to the question, A5: *What is your highest level of formal education?*

For further analysis, all postgraduate qualifications were combined into a single variable. Sixty percent of the respondent managers had undertaken tertiary education.

6.4.2 The source of SME managers' ideas about management

Managers were asked to identify and rank the three most significant of the major sources of their ideas about management from a range of options. Table 6.9 sets out these options, which were: managers in their network (such as a chamber of commerce, Rotary, the Australian Institute of Management), their own experience, management books, business or management training, their religious beliefs, their political affiliations, industry association advice or publications, and government publications. Only the first ranked choices will be used in the analysis

Table 6.9: SME managers' major sources of ideas about management (n. = 205)

Source	Frequency	Percent
Managers in a network (eg., chamber of commerce, Rotary, AIM)	15	7.3
Experience	153	74.6
Management books	6	2.9
Business or management training	17	8.3
Religious beliefs	Nil	Nil
Political affiliations	Nil	Nil
Industry association advice or publications	7	3.4
Government publications	Nil	Nil
Other	7	3.4

In response to the question, A6: *Please indicate the major source of your ideas about management (rank from 1-3, the most significant influences..*

The outstanding feature of the source of manager's ideas about their work is their self-reliance on experience. Training in business or management is important for only a small minority. Since this question was included primarily to identify the source of any unitarist ideology, SME managers' denial of any reliance on the ideational realms of religious beliefs and political affiliations warrants further research. Finally, government attempts to encourage various work practices are insignificant for all but two SME managers who nominated this as a third ranked source.

6.4.3   Ownership status of SME managers

A set of questions (A9, A10, A11) related to the ownership of the organisation: whether the company was family-owned, family-managed, and whether the respondent was an owner. As indicated in sub-section 6.3.5, this issue could be regarded as either a characteristic of the organisation or the manager. Since this thesis is focusing on the ideology of managers, the issue here is whether managers are more likely to adopt unitarist principles in the management of employees if they are also owners of the company. Just under half of the SMEs in the sample were family owned and a slightly lower percentage was managed by family members. Slightly more than one-third of the respondent managers were also family members and half of them did have significant shareholdings. Table 6.10 sets out the findings.

Table 6.10: Ownership status of SME managers (n. 206)

Family Characteristic	Frequency	Percentage of SMEs	n.
Respondent manager is family member and has significant shareholding	75	36.4	206
Respondent manager is not a family member but has significant shareholding	29	14.0	206

In response to the question A11, *Are you an owner of this company (ownership includes significant shareholding)?* Yes (family member) Yes (non-family member) No.

This table combines organisational characteristics of SMEs and a characteristic of the manager - whether or not managers are family members or owners. These characteristics of the organisation and the managers were not the subject of any further research questions in this thesis.

6.4.4   SME managers' age and gender

Almost all the managers responding to the survey were between 31 and 65 years of age. Table 6.11 sets out the distribution of age groups, with the largest group being 46-55 years.

Table 6.11: SME Managers' Age Groups (n. = 204)

Age Groups	Frequency	Percentage of Respondents
Under 30 years	4	2.0
31 — 45 years	57	27.9
46 — 55 years	93	45.6
56 — 65 years	44	21.6
More than 65 years	6	2.9

In response to the question, A12: *What is your age group?*

Only 5 percent of SME managers in the sample were female.

6.5   SME managers and unitarism

The B series of questions, headed 'Views on employee management' in the survey questionnaire, provide a framework for examining SME managers' attitudes towards a range of statements, which covered the four dimensions of unitarism already identified. These dimensions consisted of managers' attitudes towards managerial prerogative, conflict, collective workplace arrangements, and trade unions. A fifth element, which extends the scope of managerial attitudes for the study, dealt with the limitations which managers perceived to affect their managerial functions

It is possible to obtain an indication of whether or not SME managers exhibit unitarist tendencies by examining the responses of each manager to each of the statements to which each respondent agreed in each of the four key questions relating directly to Fox's unitarist construct (table 6.12). This is followed by presenting the findings in similar form to questions relating to the practices in place in the surveyed SMEs (section 6.9 below).

Table 6.12 summarises the findings with respect to the number of items related to Fox's unitarist construct for each respondent to the survey. There are 49 of these unitarist items, excluding questions B1.7, B1.9, B1.10, B1.11, B2.8, B2.9, and B3.1, which do not clearly fit a unitarist perspective. Each of these latter statements are deemed not to be consistent with a unitarist ideology. The responses 'agree' and 'strongly agree' were re-coded into a single response of agreement. Likewise, 'disagree' and 'strongly disagree' were combined.

The conclusions about whether or not the descriptive data indicate a prevailing unitarism is based upon the assumption that the larger the number of the 49 items to which the respondents agreed, the greater the propensity towards a unitarist management perspective. Individual items might not, of themselves, indicate anything more than a pragmatist outlook on a particular problematic.

Table 6.12: Case by case tendency to unitarism (No. of unitarist items = 49)

Case No.	Unitarist responses	Items (%)	Case No.	Unitarist responses	Items (%)	Case No.	Unitarist responses	Items (%)	Case No.	Unitarist responses	Items (%)	Case No.	Unitarist responses	Items (%)
120	3	6.1	360	13		261	19		182	24		157	29	
533	4	8.2	508	13		239	19		200	24		185	29	
134	5		528	13		161	19		59	24		301	29	
18	5		544	13		109	19	38.8	173	24	49.0	369	29	
201	5	10.2	30	13	26.5	426	19		208	24		313	29	59.2
299	5		44	13		250	19		530	24		248	29	
106	5		35	13		592	19		580	24		559	29	
521	6		238	13		230	20		525	25		310	29	
16	6	12.2	549	13		551	20		357	25		511	30	
515	7		554	14		257	20	40.8	193	25		206	30	
225	7		231	14		286	20		297	25	51.0	84	30	61.2
94	7		156	14		277	20		291	25		535	30	
101	7	14.3	415	14		454	20		557	25		223	31	
71	7		403	14		68	21		300	25		411	31	63.3
229	7		481	14		255	21		534	26		278	32	65.3
517	7		478	14		9	21		578	26		442	33	67.3
139	8		83	14		305	21		195	26		87	34	
271	8		507	14		2	21		181	26		302	34	69.4
204	8	16.3	584	14		162	21	42.9	350	26	53.1	562	34	
4	8		31	14		199	21		125	26		96	35	
509	8		74	15		282	21		523	26		482	35	71.4
224	9		7	15		473	21		506	26		407	35	
21	9		292	15		526	21		590	26		3	36	
155	9		397	15	30.6	585	22		0	27		256	36	73.5
338	9	18.4	259	15		543	22		77	27		146	37	75.5
260	9		222	15		510	22		89	27		480	39	79.6
288	9		141	15		599	22		235	27		86	40	
151	9		545	16		122	22		245	27	55.1	164	40	81.6
430	9		37	16		66	22		536	27		568	41	83.7
262	10		212	16		436	22	44.9	555	27		216	43	
44	10		422	16	32.7	70	22		582	27		65	43	87.8
53	10	20.4	192	16		304	22		323	28				
560	10		589	16		209	22		514	28				
213	10		398	17		176	22		52	28				
72	11		406	17		570	22		258	28				
444	11		145	17	34.7	603	22		309	28	57.1			
189	11	22.4	437	17		537	22		67	28				
73	11		602	17		556	23		131	28				
424	11		518	18		268	23		553	28				
572	11		586	18		330	23							
569	12		320	18		36	23							
236	12		104	18		318	23	46.9						
183	12	24.5	102	18	36.7	573	23							
179	12		33	18		595	23							
281	12		175	18		516	23							
			46	18										

Responses from questions B1, B2, B3, and B4, excluding items B1.7, B1.9, B1.10, B1.11, B2.8, B2.9, and B3.1.

Table 6.12 demonstrates that 63 (30.6 percent) of SME managers responded positively to more than half of the unitarist items in the questions about management, collective workplace relations, conflict, and trade unions. In descriptive terms, they could be said to have a high propensity for a unitarist approach to management. If the results are broken down further into quartiles according to the range of responses, the different degrees in the propensity towards unitarist management can be identified. Table 6.13 illustrates this break-up.

Table 6.13: Responses to unitarist items in each quartile

	Range of responses	Number of responses	Percentage of SME managers (N. = 206)	Cumulative percent
1st Quartile	1 – 12	45	21.8	21.8
2nd Quartile	13 - 24	98	47.6	69.4
3rd Quartile	25 – 36	56	27.2	96.6
4th Quartile	37 - 49	7	3.4	100.0

$\bar{X}$ = 19.9; standard deviation 8.7.

Only a small minority of managers (3.4 percent) are very highly oriented towards a unitarist perspective with 27.2 percent having a high propensity based on the number of items which they affirmed. Of the 47.6 percent who responded in the range of 13-24 items, 53.1 percent responded affirmatively to between 19 and 24 unitarist items. These could be said to have moderately unitarist tendencies. The rest in the second quartile can be described as low-level unitarists. Where managers responded affirmatively to 12 or fewer items, they may be said to be not unitarist (21.8 percent).

Thus, a taxonomy of unitarist manager emerges as follows:

- Managers with low unitarist tendencies (21.8 percent)
- Managers with moderate unitarist tendencies (47.6 percent)
- Managers with high unitarist tendencies (27.2 percent)
- Managers with very high unitarist tendencies (3.4 percent)

This provides a clearer picture of management assumptions than by concluding, as do some other researchers such as Wright (1996), that managers employ a mix of unitarist and pluralist approaches.

The descriptive data for the B-series of questions refers to the mean ($\bar{x}$) of the five point ranks for each question from strongly agree to strongly disagree.

6.5.1 Managers' attitudes towards managerial prerogative

Managers were asked to indicate whether they agreed with a number of items, which were designed to ascertain their attitudes towards management. Each of the questions asked managers to indicate the scale of their agreement or disagreement with the item. The items in managers' attitudes towards managerial prerogative are as follows:

B1.1 It is a manager's primary role to direct employees;

B1.2 A healthy organisation is unified around management as the central source of authority;

B1.3 Managers' principal responsibility is towards the employer/shareholders;

B1.4 Individual employee agreements such as Australian Workplace Agreements restore managers' rights to manage;

B1.5 Managers have more commitment to the company than other employees;

B1.6 Negotiating trade-offs in agreements compromises effective management;

B1.7R[25] involvement of shop floor employees in major decisions is necessary for effective management;

B1.8 Individual employee agreements such as Australian Workplace Agreements reinstate managers' primary responsibility towards the employer/ shareholders;

B1.9R effective managers involve employees in key decisions affecting the organisation;

B1.10R empowering employees will improve the company's performance;

B1.11R self-managing teams are the way of the future for successful companies;

B1.12 One key to successful management of employees is to put in place up-to-date systems to monitor employee performance;

B1.13 Employee resistance to change must be met by firm management action;

B1.14 involving employees in key decision-making is impractical;

B1.15 Managers must set the goals shared by all of the members of the organisation;

B1.16 Third parties such as unions, government, and the Commission undermine management's legitimate authority;

B1.17 consultation with employees on major issues leads to decisions which are less than optimal for the efficient functioning of the firm.

B2.6[26] Management is best placed to determine what is best for the employees.

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[25] Statements B1.7, B1.9, B1.10 and B1.11 were re-coded to reflect consistency with the unitarist direction of the other statements in the whole of the B series. This is indicated by the designation 'R'.

[26] Item 2.6 was added from question 2B, since it was consistent with managerial prerogative rather than the collective workplace variables.

Table 6.14 indicates the arbitrary descriptions designed to assist the interpretation of the mean of agreement or disagreement with each statement[27], and they apply to the descriptive data for the unitarist dimensions in this chapter, where appropriate.

Table 6.14: Interpretation of mean scores

Mean score	Degree of support
Less than 2.000	strong support
2.001 - 2.500	moderate support
2.501 - 3.000	weak support
3.001 - 3.500	weak opposition
3.501 - 4.000	moderate opposition
More than 4.000	strong opposition

The descriptive data are for the statements on managerial prerogative from the B1 series of statements are presented in table 6.15.

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[27] During data entry, a value ranging from 1.000 for 'strongly agree' to 5.000 for 'strongly disagree' was assigned.

Table 6.15: SME Managers Attitudes towards Managerial Prerogative (n. = 206)

Managerial Prerogative Variable		$\bar{X}$	SD	SK	Kur.	Frequency
B1.1	It is a manager's primary role to direct employees	2.4265	1.0502	.467	-.774	204
B1.2	A healthy organisation is unified around management as th225e central source of authority	2.3010	.9610	.696	-.074	206
B1.3	Managers' principal responsibility is towards the employer/shareholders	2.3835	1.0138	.534	-.547	206
B1.4	Individual employee agreements such as Australian Workplace Agreements restore managers' rights to manage	2.9510	.9084	-.022	-.117	204
B1.5	Managers have more commitment to the company than other employees	2.8293	1.0734	-.062	-1.002	205
B1.6	Negotiating trade-offs in agreements compromises effective management	3.2732	.8764	-.475	-.553	205
B1.7R	Involving shopfloor employees in major decisions is necessary for effective management	2.4146	.9594	.734	-.123	205
B1.8	Individual employee agreements such as Australian Workplace Agreements reinstate managers' primary responsibility towards the employer/ shareholders	3.0390	.7333	-.136	.355	205
B1.9R	Effective managers involve employees in key decisions affecting the organisation	1.9171	.7657	.936	1.189	205
B1.10R	Empowering employees will improve the company's performance	1.9171	.7970	.795	.516	205
B1.11R	Self-managing teams are the way of the future for successful companies	2.3317	.8673	.439	.235	205
B1.12	One key to successful management of employees is to put in place up-to-date systems to monitor employee performance	2.2913	.8161	.667	.322	206
B1.13	Employee resistance to change must be met by firm management action	2.7961	1.0108	.161	-1.134	206
B1.14	Involving employees in key decision-making is impractical	3.8058	.8330	-.900	.957	206
B1.15	Managers must set the goals shared by all of the members of the organisation	2.5340	1.0152	.528	-.717	206
B1.16	Third parties such as unions, government, and the Commission undermine management's legitimate authority	2.8932	.9719	-.009	-.466	206
B1.17	Consultation with employees on major issues leads to decisions which are less than optimal for the efficient functioning of the firm	3.5777	.8272	-.747	.255	206
B2.6	Management is best placed to determine what is best for the employees	3.0936	.8766	-.273	-.604	203

In response to the question, B1, *Please tick the box which most closely reflects your view on the following statements about management,* items B1.1, B1.2, B1.3, B1.4, B1.5, B1.6, B1.8, B1.12, B1.13, B1.15, B1.16; and B2.6.

Around two-thirds of SME managers believe that managers' primary role is directing employees, a healthy organisation is unified around management as the central source of

authority, managers' principal responsibility is towards the employer or shareholders, one of the keys to successful management of employees is the establishment of up-to-date systems to monitor employee performance, and managers must set the goals shared by all members of the organisation. On the face of it, this represents a moderately strong emphasis among SME managers on a management-centred organisation, a characteristic that would place their beliefs and values about managing employees within Fox's unitarist framework. However, an examination of the strength of SME managers' support or opposition to each of the statements suggests that this is not so.

A high percentage of SME managers believe that effective management entails involving employees in key decisions affecting the organisation (86.3 percent), and nearly all (90.7 percent) reject the notion that involving employees in key decision-making is impractical. However, only 66.8 percent would extend that principle to shopfloor employees. Nevertheless, most managers (82.9 percent) subscribe to employee empowerment as a means to improve company performance. This extends to self-managing teams for less than two-thirds of SME managers (60.5 percent).

SME managers did not strongly support any of the statements in question B1. They gave moderate support to the views that managers' primary role is directing employees; that a healthy organisation is unified around management as the central source of authority; managers' principal responsibility is towards the employer or shareholders; and that one of the keys to successful management of employees is the establishment of up-to-date systems to monitor employee performance. Managers weakly opposed five propositions. The first of these was that individual agreements such as Australian Workplace Agreements (AWAs) restore managers' rights to manage. Second, support was weak for the view that managers have more commitment to the company than other employees. The third weakly supported statement was that they must meet employee resistance to change with firm management action. Fourth, there was weak support for the view that they must set the goals shared by all members of the organisation, and, finally, managers weakly supported the view that third parties undermined management's legitimate authority. They strongly opposed the views that negotiating trade-offs compromises effective management, meeting employee resistance

to change with firm management action, and AWAs reinstate managers' primary responsibility towards the employer or shareholders.

Managers in the sample overall strongly supported the links between effective management and involving employees in key decisions affecting the organisation. They also strongly supported the concept that employee empowerment would improve the performance of the company. These are quite general precepts. Managers seemed less committed to involving employees in major decisions for effective management or that self-managing teams are linked to successful companies. They gave only moderate support to these propositions, but moderately rejected the views that involving employees in key decision-making is impractical. There was also moderate objection to the statement that consultation with employees on major issues leads to decisions, which are less than optimal for the functioning of the firm.

The second dimension of the unitarist ideology consists of managers' attitudes towards conflict. This is set out in the next sub-section.

6.5.2   SME managers' attitudes towards conflict

The third element of Fox's unitarist framework tested in this research consists of managers' beliefs and values with respect to conflict. The conflict variables are as follows:

> B3.2   Conflict would be eliminated if management's legitimacy was recognised by all parties
> B3.4. Conflict is symptomatic of employees' inability to understand the complexity of work in today's organisation
> B3.6. If managers could deal with employees face to face without the intervention of third parties, conflict would be reduced
> B3.7. Conflict is mostly the product of individual employees' reactions to grievances
> B3.8. Conflict is irrational because managers and employees share common objectives
> B3.9. Conflict between managers and employees is usually stirred up by third parties
> B3.10. There will be no conflict when all employees consider themselves team players
> B3.11. Individual contracts would eliminate conflict

B3.12. Management failures in communication and leadership are the most
      significant causes of conflict
B3.13. Conflict and loyalty to the firm are incompatible

In the reliability tests (sub-section 4.5.2 of chapter 2), items B3.1, B 3.12 and B3.5 were removed. One item - B3.3, 'Unions contribute significantly to the presence of conflict in the workplace' - was added to the trade unions scale before the reliability test.

Table 6.16: SME Managers' Attitudes towards conflict (n. = 206)

Conflict Variables	$\bar{X}$	SD	SK	Kur.	Frequency
B3.2 Conflict would be eliminated if management's legitimacy was recognised by all parties	3.3932	.8921	-.444	-.607	206
B3.4 Conflict is symptomatic of employees' inability to understand the complexity of work in today's organisation	3.1699	.8584	-.335	-.677	206
B3.6 If managers could deal with employees face to face without the intervention of third parties, conflict would be reduced	2.3155	.7001	.766	1.043	206
B3.7 Conflict is mostly the product of individual employees' reactions to grievances	2.5805	.8630	.419	-.820	206
B3.8 Conflict is irrational because managers and employees share common objectives	3.2767	.8813	-.400	-.696	206
B3.9 Conflict between managers and employees is usually stirred up by third parties	3.0728	.8996	-.388	-.572	206
B3.10 There will be no conflict when all employees consider themselves team players	2.9951	1.0049	-.311	-1.262	206
B3.11 Individual contracts would eliminate conflict	3.4683	.8015	-.473	-.233	205
B3.13 Conflict and loyalty to the firm are incompatible	3.4903	.8539	-.705	-.188	206

In response to the question, B3, *Please tick the box which most closely reflects your view on each of the following statements about conflict (by conflict is also meant disputes & grievances in the workplace)*

Complementing their responses to third party intervention in question B2 where 57.3 percent agreed that there was too much third party interference in the workplace (including government and trade unions), 68 percent agreed with the statement that face-to-face dealing with employees without the intervention of third parties would reduce conflict. Nevertheless, only 26.7 percent agreed that conflict between managers and employees was stirred up by third parties.

Managers in SMEs did not support a number of other characteristics of unitarist attitudes towards conflict, including the recognition of management legitimacy as a foil to conflict

(item B3.2), the inability of employees to comprehend the complexity of work (item B3.4), and the irrationality of conflict (B3.8). Only 16.5 percent supported the view that conflict and loyalty to the firm were incompatible. There was moderate support for the view that conflict would be reduced without the intervention of third parties. The rest of the statements were moderately opposed, apart from B3.10 (There will be no conflict when all employees consider themselves team players), which they weakly opposed.

The third dimension of Fox's unitarist ideology, addressed in the next sub-section, is constituted by managerial attitudes towards collective arrangements in the workplace.

6.5.3 SME managers' attitudes towards collective workplace relations

The second set of survey questions, which dealt directly with the characteristics of Fox's unitarist ideology, addressed SME managers' views on collective workplace relations. The questions relating to managers' attitudes were as follows:

B2.1. Negotiations and bargaining encourage an adversarial 'them and us' culture in the workplace;

B2.2. Negotiating with unions or employee associations interferes with managers' responsibility to the employer;

B2.3. Negotiations and bargaining encourage a "trade off" mentality that works against the role of management in achieving organisational goals;

B2.4. Employees on individual contracts will be better team players than employees on collective agreements;

B2.5. Collective agreements and awards encourage employees to view third parties as the source of improved employment terms and conditions rather than management;

B2.7. Management is best placed to determine what is best for the employees.

B2.8. The presence of unions generally reflects a history of poor management in an organisation;

B2.9. The presence of a union in the workplace enhances our ability to deal with the difficult external environment of the 1990s;

B2.10. Collective agreement-making enhances employee commitment to shared goals;

B2.11. The achievement of management goals is compromised when organisational objectives are modified for the sake of getting agreement with a union or employees;

B2.12. Agreement-making is a necessary evil which impedes the process of managing the organisation;

B2.13. There is too much third party interference in management from government and unions.

Four items were removed from this scale. First, Item B2.6 was re-allocated to the managerial prerogative scale. Second, items B2.7 and B2.8 were removed and added to the trade union scale. To improve reliability, B2.9 was excluded. The results are set out in table 6.17.

Table 6.17: SME Managers' attitudes towards collective workplace relations (n. = 206)

Collective Relations in the Workplace Variable	$\overline{X}$	SD	SK	Kur.	Frequency
B2.1 Negotiations and bargaining encourage an adversarial "them and us" culture in the workplace	3.0000	.9752	-.224	-.957	205
B2.2 Negotiating with unions or employee associations interferes with managers' responsibility to the employer	3.0686	.9599	-.374	-.624	204
B2.3 Negotiations and bargaining encourage a "trade off" mentality that works against the role of management in achieving organisational goals	3.0244	.9312	-.122	-.880	205
B2.4 Employees on individual contracts will be better team players than employees on collective agreements	2.9412	.9024	-.005	-.792	204
B.2.5 Collective agreements and awards encourage employees to view third parties as the source of improved employment terms and conditions rather than management	2.8030	.8447	.089	-.575	203
B2.10 The achievement of management goals is compromised when organisational objectives are modified for the sake of getting agreement with a union or employees	2.6275	.8472	.404	-658	204
B2.11 Agreement-making is a necessary evil which impedes the process of managing the organisation	3.3073	.8154	-.511	-.839	205
B2.12 There is too much third party interference in management from government and unions	2.4510	.9430	.339	-.514	204

In response to the question, B2, *Please tick the box which most closely reflects your view on each of the following statements about collective workplace relations*.

Around one-third of managers (32.3 percent average over the 12 items) did not express a view either way with respect to issues raised about collective workplace relations. Just over one-half of the respondents agreed that collective agreement-making enhances employee commitment to shared goals (51.7 percent) and that the achievement of management goals is compromised when organisational objectives are modified for the sake of getting agreement with a union or employees (51.2 percent). The final item, B2.12 *There is too much third party interference in management from government and*

unions, introduced the additional element of third party government interference (57.3 percent agreed). On the face of it, this clouds the response with respect to attitudes towards collective relations. However, the factor analysis firmly ensconced the variable in the scale (see table 6.25 below). In the survey, a fraction under half of the respondents (49.8 percent) disagreed with the statement that bargaining was a necessary evil. However, almost one-third (30 percent) opted for a neutral response. Twenty percent agreed that bargaining was a 'necessary evil'.

In aggregate, there was weak opposition to the three statements about negotiation (B2.1, B2.2 and B2.3) and to the proposition that agreement is a necessary evil impeding management (B2.11). Weak support was expressed for the three statements on collective bargaining (B2.4, B2.5 and B2.11): that employees on individual contracts will be better team players; collective bargaining encourages employees to view third parties rather than management as the source of improved employment terms and conditions; and that agreement seeking compromises management goals. The managers in the survey moderately supported the view that there is too much third party interference in management.

6.5.4 SME managers' attitudes towards trade unions

The fourth dimension in Fox's unitarist construct is composed of managers' attitudes towards trade unions. The statements in table 6.16 were designed to flesh out these attitudes.

> B4.1. Unions are too powerful in Australia
> B4.2. Unions divide employees' loyalty to the detriment of the organisation
> B4.3. Management is at a disadvantage vis-à-vis unions
> B4.4. Unions are unnecessary if management treats its workers properly
> B4.5. Ultimately, management has the right not to deal with trade unions
> B4.6. Without trade unions there would be no trade unions of interest between employees and management
> B4.7. Trade unions are an impediment to change in dealing with today's environment
> B4.8. Management does not have any moral obligation to deal with unions
> B4.9. Union recognition should be a matter for management and employees to decide
> B4.10. Management owes it to the owner/shareholders to do everything possible to avoid unions
> B4.11. Unions place unnecessary restrictions on effective management of the firm

B4.12. Unions are an impediment to flexibility and productivity
B4.13. Managers should try and find ways of getting the union out of the workplace
B4.14. Unions have their place but not in this company
B2.7 The presence of unions generally reflects a history of poor management in an organisation
B2.8 The presence of a union in the workplace enhances our ability to deal with the difficult external environment of the 1990s
B3.3 Unions contribute significantly to the presence of conflict in the workplace.

Two variables, items B2.8 from the collective workplace relations scale and B3.3 from the conflict scale were imported to this scale and included in the reliability analysis. This analysis removed items B2.7 and B2.8.

Table 6.18 indicates that a majority of managers (60.5 percent) did not agree with the statement that union presence enhances the organisation's ability to deal with the difficulties of the external environment in the 1990s. A similar proportion of SME managers (62.8 percent) believed that trade unions in Australia are too powerful and 46.1 percent regarded management as being at a disadvantage compared with trade unions. While these issues of union power are not explored further in the question, three specific negative effects of trade unions are addressed. A majority of managers (70.6 percent) agreed that unions divided employees' loyalty to the detriment of the organisation. A smaller majority (46.8 percent) considered trade unions as an impediment to dealing with the contemporary environment. The issue of unions being an impediment to the organisation revealed some inconsistency in respondents' answers. In an earlier, related item, 60.5 percent rejected the view that unions enhance the organisation's ability to deal with the 'difficult external environment of the 1990s'. When the question of flexibility and productivity was raised, however, only 53 percent of managers felt unions to be an impediment. These perspectives were also explored from the viewpoint of whether or not unions place unnecessary restrictions on the management of the firm: 52.9 percent of SME managers agreed with this standpoint.

Table 6.18: SME Managers' Attitudes towards Trade Unions (n. = 206)

Union Variables	$\bar{X}$	SD	SK	Kur.	Frequency
B4.1 Unions are too powerful in Australia	2.3707	.9284	.606	.094	205
B4.2 Unions divide employees' loyalty to the detriment of the organisation	2.2892	.8243	.750	.370	204
B4.3 Management is at a disadvantage vis-à-vis unions	2.6961	.9499	.085	-.822	204
B4.4 Unions are unnecessary if management treats its workers properly	2.2696	.9369	.780	.349	204
B4.5 Ultimately, management has the right not to deal with trade unions	2.7108	.9874	.267	-.899	204
B4.6 Without trade unions there would be no conflict of interest between employees and management	3.7291	.6969	-1.348	2.530	203
B4.7 Trade unions are an impediment to change in dealing with today's environment	2.6995	.9766	.248	-.666	203
B4.8 Management does not have any moral obligation to deal with unions	2.9261	.9593	-.123	-1.127	203
B4.9 Union recognition should be a matter for management and employees to decide	2.0980	.6949	1.111	2.544	203
B4.10 Management owes it to the owner/shareholders to do everything possible to avoid unions	3.2941	.9683	-.587	-.103	204
B4.11 Unions place unnecessary restrictions on effective management of the firm	2.6225	.9774	.339	-.682	204
B4.12 Unions are an impediment to flexibility and productivity	2.5441	.9536	.337	-.399	204
B4.13 Managers should try and find ways of getting the union out of the workplace	3.1324	.9027	-.387	-.280	204
B4.14 Unions have their place but not in this company	2.8333	.9984	.011	-.616	204
B2.7 The presence of unions generally reflects a history of poor management in an organisation	3.0634	1.0483	-.153	-.734	205
B2.8 The presence of a union in the workplace enhances our ability to deal with the difficult external environment of the 1990s	3.6488	.8538	-.544	.610	205
B3.3 Unions contribute significantly to the presence of conflict in the workplace	2.4951				

In response to the question, B4, *Please tick the box which most closely reflects your view on each of the following statements about trade unions*.

The topic of trade unions raises a number of related managerial prerogative issues, which are also explored in this question. Just over half (50.5 percent) of SME managers believe that management has an ultimate right not to deal with trade unions. When this is expressed in ethical terms (a 'moral obligation [not] to deal with unions'), however, only 38.9 percent agreed with 35.5 percent disagreeing. While managers' duty to owners and/or shareholders is one basis for managerial prerogative, which 64.6 percent of SME

managers supported, only 19.6 percent extended this to union avoidance on behalf of owners and shareholders. A minority of respondents (23 percent) felt that managers should adopt union avoidance strategies in getting unions out of the workplace. Finally, 38.2 percent believed that unions have a place in industry but not in their company.

A high percentage of respondents (73.9 percent) disagreed with the view that without trade unions there would be no conflict of interest between employees and management. A similar percentage (72.1 percent) agreed with the statement that unions are unnecessary if management treats its workers properly.

Other questions also dealt with views towards unions. In Question B4.5 respondents were asked to identify the extent to which they believe they are limited in how they manage employees by, among other factors, unions. Most did not see unions as a limitation, with 44.4 percent claiming that they were not limited at all, 22.4 percent that unions were an impediment to a minor degree, and 20.9 percent that they were partly a problem for the management of employees. Of those managers who claimed that unions were no limitation in how they managed their employees, three-quarters (74.7 percent) reported no union members at all, 91.2 percent of these SMEs did not have a union delegate, and 16.1 percent estimated that union membership was less than 10 percent (all these results were significant at p. = <0.05).

In aggregate, SME managers moderately supported the views that trade unions were too powerful, divided employees' loyalty, unnecessary if management treated its employees properly, contributed to the presence of conflict and that union recognition should be a matter for management and employees to decide. They opposed all other statements. The management sample weakly opposed the view that management is at a disadvantage compared with unions. There was weak opposition to the view that they have the right or a moral obligation not to deal with trade unions. Similarly, SME managers weakly disagreed with the perspectives that trade unions are an impediment to change; place unnecessary restrictions on the effective management of the firm and impede flexibility and productivity. Likewise, the response to the statement that unions have their place, but not in the manager's company, was weakly opposed. Moderate disagreement was expressed with the view that managers owe it to the owners, or shareholders, to do

everything possible to avoid unions or to try and find ways to get unions out of the workplace. They also moderately disagreed with the statement that the presence of unions generally reflects a history of poor management. There was strong opposition to the suggestion that there would be no conflict of interest between employees and management if there were no trade unions or that union presence enhances managers' ability to deal with the difficult external environment of the 1990s.

6.6   Principal components analysis of the limitations variables

A further two independent variables were identified by principal components analysis of question B5, which dealt with the extent to which managers in SMEs believed their management of employees was limited. Managers were asked to indicate the extent to which they believed they were limited by corporate human resource policy, awards, unions, employee resistance and government legislation. The Kaiser-Meyer-Olkin MSA was mediocre at .609, barely satisfying the minimum requirement for further analysis. Bartlett's test of sphericity scored an approximate Chi-square of 151.282 (df=15), significant at p<.001. Oblimin rotation provided two components for further analysis. The first component (labelled, INTERNAL) included three internal factors: employee resistance, lack of resources, and corporate HR policy. The second limitation on management of employees included unions, awards, and government legislation, which managers might perceive as external factors (labelled, EXTERNAL). These two components are referred to as the limitations variables. The results are in table 6.19.

Table 6.19: Components matrix for limitations on employee management

Variables	Component 1: Internal limitations INTERNAL	Component 2: External limitations EXTERNAL
B5.4	.765	
B5.6	.726	
B5.1	.679	
B5.2		-.857
B5.3		-.752
B5.5		-.577

Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization.

Table 6.20 presents the means for each of the statements constituting both components. For all but B5.1, the limitations arising from human resource policy from corporate headquarters, the results indicate that, overall, managers feel constrained only partly, or to a minor degree, by either internal or external factors. The results for B5.1 suggest that human resource policy from corporate headquarters, where the SME was part of a larger group, is not problematic for the management of employees. Unions (B5.3) and employee resistance to management were both seen only as minor impediments. External factors are more likely to be perceived as an impediment than internal ones.

Table 6.20: Mean values - limitations on employee management

Variables	Component 1: Internal limitations INTERNAL	Component 2: External limitations EXTERNAL
B5.4	3.9552	
B5.6	3.6011	
B5.1	4.3266	
B5.2		3.2900
B5.3		3.9796
B5.5		3.2200
$\bar{X}$	3.9730	3.4983

The next section presents the dependent variables identified by factor analysis.

6.7 Factor analysis of the four key dimensions of unitarism

The question arose about how to deal with the data regarding the four dimensions of unitarism in the early stages of determining whether the factors should be set up according to theory or according to the data. When the data were collected and entered, the statements in the question on managers' attitudes towards management (B1) were divided between those relating directly to managerial prerogative and those items, which referred to employee participation. While there may have been a clear *substantive* differentiation between managerial prerogative (which reduced to three factors in the original analysis) and employee participation, a similar procedure was not possible for all of the other

questions. The decision was, therefore, to rely on the data and employ exploratory factor analysis for each of the dimensions represented in questions B1 to B4.

Factor analysis reduces the number of variables to a set of constructs that explain the variability between the various items (Ferguson 1971; Schmitt & Klimorski 1991; Coakes & Steed 1999; Pallant 2001), which in the case of this research, constituted each of the B series questions in the survey questionnaire and some other non-demographic questions. Sample size may be absolute or determined according to a formula, but statisticians do not agree about sample size for factor analysis. Hair et al. (1998) set the minimum number for factor analysis at 100 observations, which is clearly satisfied by the sample with 206 respondents. The SME manager sample size also satisfies another measure: a requirement for 200+ for factor analysis (Coakes & Steed 1999). Comrey and Lee (1992, in Tabachnick & Fidell 1996, p. 640) regard such a sample size as only 'fair' for analysis. Tabachnick and Fidell (1996, p. 640) suggest that, as rule of thumb, the minimum sample size for factor analysis ought to be 300. According to that criterion, the sample is inadequate. Others recommend no less than a ratio of five observations to each independent variable for regression analysis, a ratio that also applies to factor analysis (Bartlett, Kotrick & Higgins 2001, pp. 48-9). After reliability analysis, the largest number of variables in any of the four unitarist dimensions, or any other question, was 16. The sample, therefore, also satisfies a conservative, 'optimal' ratio of ten observations for each unitarist variable, with 206 responses easily satisfying this requirement for 160 observations (Bartlett et al. 2001).

Factor analysis involved two steps. The first step of the procedure assessed the suitability of the data in questions B1 to B4 for factor analysis. In the second step, the principal task was to determine the number of factors emerging from the variables (Pallant 2001) in each of the questions. The purpose of this part of the analysis is to reduce the number of variables.

In the first step, Principal Axis Factoring determined the appropriateness of the factors relating to Fox's unitarist ideology by involving the investigation of the number of factors necessary to represent the data, and to make the factors constituting each aspect of the ideology more interpretable (Coakes & Steed 1999, p. 155). Three other requirements must

be satisfied in evaluating the appropriateness of factor analysis of these data. First, coefficient values in the correlation matrix for the variables in each question must show at least some correlation with the value exceeding .300. Factor loadings of less than .300 are generally considered not to be of practical significance (Hair et al. 1998, pp. 99-111). Second, the Kaiser-Meyer-Olkin Measure of Sampling Adequacy (MSA) should exceed .600 to clearly indicate the appropriateness of factor analysis. According to Hair et al. (1998, p. 99), a score of .600+ is characterised as 'mediocre'; at .700+ it is 'middling'; .800+ 'meritorious'; and .900+ 'marvellous'; whereas a score of .500+ is 'miserable'. These benchmarks were followed in this study. The objective in measuring sampling adequacy will be to obtain as high a MSA score as possible without losing the integrity of the original question sets. Maintaining the integrity of the sets of statements in each question is important because each of the statements relates to the theoretical literature in two ways. The elements in each of the four questions are both derived from Fox's and others' accounts of the unitarist ideology and from specific sources for each statement. These were set out in chapter 3. The third requirement was to ensure that Bartlett's test of sphericity should be significant at $p<.05$ (Pallant 2001). The Kaiser-Meyer-Olkin MSA and Bartlett's test of sphericity are two measures indicating the strength of the relationships between variables.

In the second step, factors were rotated using Varimax rotation, assuming that the factors are not related. Kaiser's Varimax is the most widely accepted method for analytical rotation of orthogonal data to increase interpretability of factors and is an option accessible on the SPSS factor analysis procedure (Tabachnick & Fidell 1996, p. 666; Pallant 2001, p. 162). The Kaiser rule, where the eigenvalue is 1.0 or greater, was retained in all calculations. The results of the factor analysis for unitarist ideology, the degree of consultation, and managers' satisfaction with employees are reported in sub-sections 6.7.1 to 6.7.7.

6.7.1   Factor analysis of the managerial prerogative scale

The initial test for reliability, reported in chapter 3, 'Methodology', resulted in the deletion of none of the 18 statements in the question on managerial prerogative after re-coding items B1.7, B1.9, B1.10 and B1.11, as well as adding the variable, B2.6, which was adjudged to

relate to the question of managerial prerogative rather than the question of collective workplace relations.

The correlation matrix table indicated that were sufficient correlation coefficients exceeding .300 to satisfy the first test of the appropriateness of proceeding to a full factor analysis. The Kaiser-Meyer-Olkin MSA was .779. This was 'middling', and confirmed the suitability of the variables in this question for factor analysis (1974; Hair et al. 1998, p. 99). Bartlett's test of sphericity had an approximate χ^2 of 973.331 (df=136) and p<.05, which also established the suitability of the data. Five components in the scale had an eigenvalue of >1.0 accounting for 43.3 percent of the variance. The factor matrix for the management scale is set out in table 6.21.

In the second step, principal axis factoring was used with Varimax rotation to obtain the constructs from the data that were meaningful in terms of Fox's construct (Hair et al. 1998). The resultant factors are set out in table 6.19. Factor 1 is labelled 'employee participation' (PARTICIP). The statements which composed this factor addressed various aspects of employee participation: first, the notion that involving shopfloor employees in major decisions is necessary for effective management (B1.7R); second, the relationship between the effectiveness of managers and their involvement of employees (B1.9R); third, the assertion that employee empowerment improves company performance (B1.10R); fourth, the relationship between self managing teams and company success (B1.11R); and, fifth, the idea that employee involvement in key decisions is impractical (B1.14).

Factor 2 included statements, first, that managers had higher levels of commitment than employees (B1.5). Item B1.6 referred to the negative effects of negotiation and consultation. The managerial objectives of effectiveness and efficiency were addressed in B1.17. The issue of third parties undermining managerial legitimacy was addressed by B1.16. Finally, a statement addressed managers being best placed to determine what is best for the other members of the organisation over which they exercise their prerogative (B2.6). Managerial legitimacy was the concept underlying each of these views and the variable was labelled, MANLEGIT.

Three variables composed the third factor: the question of managers' primary role in directing employees (B1.1); their principal responsibility towards employers and shareholders (B1.3); and the unification of the organisation around managerial authority (B1.2). This factor was labelled, 'Managerial responsibility' (MANRESPY).

The fourth factor contained two statements referring to Australian Workplace Agreements, on the one hand, and the restoration, through individual contracts, of managerial responsibility, on the other hand. This factor was labelled 'individualisation of the employment contract' (INDIVIDU). It referred to managerial prerogative because both its components referred to individual employment contracts such as Australian Workplace Agreements and the restoration of managers' primary responsibility to shareholders (B1.4) and owners and their right to manage (B1.8).

The fifth factor was labelled, 'control of employees' (CONTROLS), since B1.12 related to monitoring employees and B1.13 was about firmly dealing with resistance to change.

Table 6.21: Factor matrix for SME managers' attitudes towards managerial prerogative

Managerial prerogative Variables [a]	Managers attitudes to managerial prerogative				
	Factor1: Employee Participation PARTICPN	Factor 2: Managerial Legitimacy MANLEGIT	Factor 3: Managerial responsibility MANRESPY	Factor 4: Individualism INDIVIDU	Factor 5: Control over employees CONTROLS
B1.7R	.645				
B1.9R	.795				
B1.10R	.623				
B1.11R	.341				
B1.14	.652				
B1.5		.511			
B1.6		.618			
B1.16		.480			
B1.17		.428			
B2.6		.500			
B1.1			.729		
B1.2			.667		
B1.3			.461		
B1.4				.704	
B1.8				.673	
B1.12					.472
B1.13					.564

Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 7 iterations.
a. SPSS provided no value for B1.15 after rotation. It was therefore excluded
'R' indicates the item was re-coded.

Table 6.22 reports the mean for each of the new variables.

Table 6.22: Mean values - SME managers' attitudes towards managerial prerogative

Managers attitudes to managerial prerogative			$\bar{\text{X}}$	
PARTICPN	**MANLEGIT**	**MANRESPY**	**INDIVIDU**	**CONTROLS**
3.8451	3.1334	2.3703	2.9950	2.5437

The means indicate moderate disagreement with the variable addressing managers' attitudes towards employee participation and weak opposition to the managerial legitimacy variable. SME managers expressed moderate support for managerial responsibility. There was overall a weak level of agreement with the view that the individualisation of employment contracts through AWAs restored managerial prerogative. There was also marginally weak agreement with views on control of employees.

The second dimension of Fox's unitarist ideology, considered in the next sub-section, consists of managerial attitudes towards conflict. Conflict was the third question relating to the ideology in the survey questionnaire, however, SME managers' attitudes towards conflict constituted the second dimension of unitarism considered in the literature survey, chapter 3.

6.7.2   Factor analysis of the conflict scale

Question B3 of the survey questionnaire asked SME managers to indicate their views on each of the statements about conflict. An explanatory statement was added at the head of the question to the effect that conflict included the notion of disputes and grievances in the workplace. This section of the questionnaire was designed to examine what SME managers viewed as the causes and nature of workplace management conflict. Before conducting the reliability analysis, item B3.3, 'Unions contribute significantly to the presence of conflict in the workplace' was removed and added to the Trade Unions scale (subsection 6.7.4 below). After testing for reliability, it was decided to remove B3.1, B 3.12 and B3.5, leaving nine statements acceptable for further analysis.

The Kaiser-Meyer-Olkin MSA was .856 and therefore 'meritorious' for analysis. Bartlett's test of sphericity returned an approximate Chi-square of 453.341 (df=36) with significance at p<.005, indicating that there were significant correlations among some of the variables. Two components in the scale had an eigenvalue exceeding 1.0, accounting for 51 percent of the variance. The rotated factor matrix (Varimax rotation) derived two factors from the data. The scree plot confirmed a two factors scenario. The dominant factor contained seven items, the second only two after the deletion from the second factor of B3.9 and B3.2. Both variables had a higher value in the first factor. Two of the components accounted for 51 percent of the variance. Table 6.21 sets out the results of the factor analysis.

Three variables in the first factor referred to the elimination or reduction of conflict (B3.2, B3.6, B3.10 and B3.11), and three related to the nature of conflict (B3.8, B3.9 and B3.13). Underlying each of these items was an affirmation of managerial prerogative and an assumption that the failure to affirm managerial prerogative created conflict. This carried with it a notion of conflict being dysfunctional for managerial prerogative and, therefore, the organisation. Three components in the scale had eigenvalues of >1, accounting for 39 percent of the variance. This factor was labelled, 'Organisational dysfunction' (DYSFUNCT). In the second factor, B3.9 and B3.2 were excluded because their value was less than the values for these items in the first factor. Both of the remaining variables referred to employees as a cause of conflict. In the first statement (B3.7), individual employee grievances were said to mostly be the cause of conflict. The second (B3.4) referred to employees' inability to understand the complexity of work in today's organisation (B3.4). This was labelled, 'Employee inadequacy' (INADEQCY), although there is not a clear link to employee inadequacy in the first item (B3.11). Table summarises the results.

Table 6.23: Factor matrix for SME managers' attitudes towards conflict

Conflict Variables	Factor 1: Organisational dysfunction DYSFUNCT	Factor 2: Employee inadequacy INADEQCY
B3.11	.797	
B3.10	.748	
B3.8	.681	
B3.9*	.655	
B3.13	.634	
B3.2*	.626	
B3.6	.378	
B3.7		.824
B3.4		.718

Extraction Method: Principal Axis Factoring. Rotation Method: Varimax
with Kaiser Normalization. Rotation converged in 3 iterations.
* These variables were retained in the factor where the highest coefficient was found.

How strongly did managers in aggregate support the statements about conflict? Applying the descriptions in table 6.12 to table 6.24 indicates that SME managers as a group did not have strong views on conflict. There was weak disagreement with the view that conflict is organisationally dysfunctional and weak support for the view that employee inadequacy causes conflict.

Table 6.24: Mean values– SME managers' attitudes towards conflict

Managers' attitudes towards conflict		$(\bar{X})$
DYSFUNCT		INADEQCY
3.1422		2.6256

The third dimension of unitarism to be tested referred to collective workplace relations. This was the second question in the survey questionnaire, and is reported next.

6.7.3 Factor analysis of the collective workplace relations scale

Question B2 asked SME managers to respond to the question, 'which statement most closely reflects your view about collective workplace relations?' The following statements, with the exception of B2.6, which had been added to the question on SME managers' attitudes towards management, and B2.7 and B2.8 which were both added to the trade union scale, constituted this scale in the questionnaire. During reliability analysis, B2.9 was removed.

In the first phase of the factor analysis of the collective workplace relations scale, the correlation matrix indicated that all of the remaining variables had values exceeding .300. The MSA value was .833, indicating that proceeding with the factor analysis was 'meritorious'. Bartlett's test of sphericity revealed an approx Chi-square of 440.250, df=28, which was significant at p<.001, indicating that significant correlations existed among at least some of the variables. Examination of the scree plot revealed that two factors were possible for the question on collective workplace relations. However, the extraction using Principal Axis Factoring produced only a single factor (labelled 'COLLRELS'), as reported in table 6.25. Only one component reported an eigenvalue of >1, accounting for 38 percent of the variation.

Table 6.25: Factor matrix for collective workplace relations

Variables	Collective workplace relations COLLRELS
B2.3	.807
B2.2	.768
B2.1	.646
B2.11	.573
B2.10	.532
B2.12	.510
B2.5	.420
B2.4	.397

Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 3 iterations.

The descriptive data for attitudes towards collective workplace relations indicate that SME managers generally did not believe that collective processes have a negative impact on the management of organisations by interfering with managers' responsibility roles and goals. The exceptions were that the achievement of management goals is compromised when organisational objectives are modified for the sake of getting agreement with a union or employees (52 percent) and the notion that there is too much third party interference in management from government and unions (57.4 percent). There was not a strongly held belief among SME managers that collective arrangements turn employees to third parties, such as unions. Only 20 percent agreed that bargaining was a 'necessary evil'.

SME managers exhibited only weak support for the variable COLLRELS with the mean at 2.9061.

The final question relating directly to the four dimensions of unitarism was about managers' attitudes towards trade unions.

6.7.4 Factor analysis of the trade unions scale

Question B4 was developed to measure SME managers' attitudes towards unions. The question asked the respondents to identify their response to statements about third parties. However, every item referred to unions. Additional statements were imported from the other three unitarist ideology questions: B2.7, B2.8 and B3.3. B2.8, however, was removed during the reliability analysis

The correlation matrix revealed that all of the variables in the trade unions scale had more than one correlation exceeding .300. The Kaiser-Meyer-Olkin MSA was excellent at .904 and the Bartlett test produced an approximate Chi-square of 1420.760 (df = 120), significant at p<.001. The question was therefore suitable for factor analysis. Three of the components accounted for 48 percent of the variance. The scree plot suggested up to four factors. Rotations were run for both three and four factors. Since there appeared to be a substantive crossover between two of the factors in a four factor analysis, creating difficulties for differential labelling, three factors were considered suitable for further analysis.

The first factor was called 'union intrusion' (INTRUSIN). This covered eight statements directly or implicitly relating to the question of unions intruding on management and organisations. The first concerned a general statement about the power of unions (B4.1). The second referred to union power and the relations between unions and management (B4.3). B4.9 dealt with the question of management and employees deciding union recognition, which is also a power issue. The final group involved incursions into the organisation by the union, which were seen to have a negative impact on management and the performance of the organisation (B4.2, B4.7, B4.9, B4.11 and B4.12). Although three of the items referred to aspects of union power, it was decided to label the factor according to the majority of items, which constituted the new variable. The second factor contained three statements referring to the avoidance of unions (AVOIDANC). Two specifically referred to avoiding and getting rid of unions (B4.10; B4.13), and one drew the conclusion

that there would be no conflict without trade unions, providing an implicit reason why unions ought to be avoided. The third factor, labelled 'union relevance' (RELEVANC), contained a general statement that unions have their place but not in the respondent's organisation (B4.14). This was a statement about the relevance of unions generally, but questioning their relevance for the manager's firm. Two of the statements dealt with the dependence of unions on management failings for relevance (B2.7 and B4.4) and two dealt with managers' rights not to deal with unions at all (B4.5 and B4.8). The results are set down in table 6.26.

Table 6.26: Factor matrix for SME managers' attitudes towards trade unions

Variables	Factor 1: Union intrusion INTRUSIN	Factor 2: Union avoidance AVOIDANC	Factor 3: Union relevance RELEVANC
B4.2	.721		
B4.1	.650		
B4.3	.591		
B4.11*	.587		
B4.12*	.583		
B3.3*	.513		
B4.7*	.502		
B4.9*	.452		
B4.10		.750	
B4.13*		.682	
B4.6		.459	
B4.14*			.585
B2.7			.512
B4.4*			.507
B4.5			.441
B4.8*			.402

Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 19 iterations.
*. These variables were retained in the factor where the highest coefficient was found.

The descriptive data in table 6.27 indicate that there was moderate support for the view that unions are an intrusion into the organisation (INTRUSIN), weak opposition to the view that unions ought to be avoided (AVOIDANC) and weak support for views about the relevance of unions (RELEVANC).

Table 6.27: Mean values- SME managers' attitudes towards trade unions

Managers' attitudes towards trade unions		$(\bar{X})$
INTRUSIN	**AVOIDANC**	**RELEVANC**
2.4754	3.3892	2.7542

The findings of the factor analysis of the unitarist dimensions are summarized in the next sub-section.

6.7.5 Summary: the unitarist dimensions

Factor analysis produced eleven variables for further analysis. These were called the unitarist variables, although taken individually they might not necessarily have such a connotation, if managers were to agree with them. However, those statements in question B1, which might have indicated a countervailing tendency away from a unitarist perspective – that is, those referring positively to employee participation (B1.7 B1.9, B1.10 and B1.11) – were re-coded. Similarly, the conflict scale was closely tied to the standard unitarist litany of attitudes towards conflict, which is to be found in industrial relations accounts of the unitarist framework. Some of those statements did not survive the reliability test and factor analysis. A single factor emerged from the question on collective workplace relations, after transferring two trade union related variables, and removing during reliability analysis a statement positively linking collective bargaining to shared goals in the work organisation (B2.9). Eight statements remained which were critical of collective workplace management arrangements, reflecting unitarist perspectives on collective bargaining. The most significant results resulted from the reliability analysis and the factor analysis in the trade union scale. No variable from the original set of statements was removed and only B2.8, added because of its substantive meaning, was removed from consideration during the reliability tests.

Since the four questions (B1-B4) reflected the key dimensions of the unitarist construct, and the surviving statements, taken together, in each of the factors reflected an overall unitarist orientation, it was appropriate to refer to the 11 factors as 'unitarist variables'. They appear with their labels in table 6.28.

Table 6.28: The unitarist dimensions

Label	SME Managers' attitudes towards:	Unitarist dimensions[1]
PARTICPN:	employee participation	
MANLEGIT:	managerial legitimacy	*Managerial*
MANRESPY:	managerial responsibility	*prerogative*
INDIVIDU:	individualism	
CONTROLS:	management control	
DYSFUNCT:	the view that conflict is organisationally dysfunctional	*Conflict*
INADEQCY:	the view that employee inadequacy causes conflict	
COLLRELS:	collective workplace relations	*Collective workplace relations*
INTRUSIN:	the view that unions are an intrusion into the organisation	
AVOIDANC:	the view that trade unions ought to be avoidance	*Trade unions*
RELEVANC:	the relevance of trade union	

1 These dimensions were elaborated in chapter 2.

In the further analysis that follows, these factors will become the dependent variables for testing against the independent variables for organisational characteristics and the personal characteristics of the respondents. They will also become the independent variables for testing the relationships between the unitarist variables and the managerial practice variables. The four unitarist dimensions and the eleven factors of which they are constituted, provide the backbone of the development of specific research questions about the unitarist ideology.

In the next section, the data on the range and degree to which managers consult employees are categorised for further analysis.

6.8   The range and degree to which managers consult employees

Questions C1 and C2 were intended to replicate the work on consultation and participation conducted during a study on management style (McDonald and Wiesner 2000) in which a distinction was made between the range of issues on which managers consult employees. The intention was for the items in C2 to duplicate those in C1. Unfortunately, some of the items differ between C1 and C2 in wording and content (C1.1/C2.5, C1.5/C2.7 and C1.6/C2.8), some were omitted (C1.10, C1.12 and C1.15) and one item in question C2 (C2.2) was added. These differences were retained in error in the final version of the questionnaire. The two questions therefore were treated separately.

The questionnaire explained to the participants that 'consult' and 'consultation' meant 'to involve employees in decision-making to any degree at all, but means more than merely informing employees of your decisions or intentions.' The directions to Section C of the questionnaire also specified that 'employees' referred to persons below supervisory or leading hand levels. Sub-sections 6.8.1 and 6.8.2 present the categorisation of questions C1 and C2 respectively. Sub-section 6.8.3 refers to the forms of consultation managers in SMEs say they use.

Attitudes towards specified items do not complete the picture. It is necessary also to identify the practices, which SME managers put in place. There are 37 items. Table 6.29 summarises the practices indicated for each of the respondents to the survey. In all but one question[28], the negative responses are counted. The negative responses taken together could indicate a unitarist bent towards aversion from the practices, which might otherwise be regarded as participive. Question C2, whose results are summarised in section 6.8.2 above, is excluded as the items for the most part replicate the items in question C1, and in this table the interest is in whether or not a manager employs the practice rather than how that practice is employed. Other excluded items are C4.6 - a quality management programme such as ISO 9000, C4.7 - a just-in-time inventory system, C4.8 – work process re-engineering, C4.9 – job or task rotation, C4.11 – a multi-skilling or cross training programme, C4.12 – job enlargement, C5.4 to C5.7 – various pay systems, C5.8 – C5.9, which are management level decisions about selection, and C5.11 - line manager performance appraisal. Each of these items of themselves either appear neutral with respect to the unitarist construct, or, in the case of the latter questions, a positive response could, taken together with some other practices, indicate a unitarist orientation.

Compared with the measure of managers' tendencies, a much smaller percentage of managers (21.8 percent) eschew a half or more of the practices identified in the survey, which would broadly involve employees. Only 18 of the 63 managers who scored more than 50 percent on attitudes, which would indicate a unitarist propensity, also did not take up more than 50 percent of the practices which the questions put before them. At

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[28] The only possible answer for question C3.8, 'no discussion' (yes) has been re-coded as 'no' for table 6.29. Question C5 - 'never used' - has also been re-coded.

this level of analysis, a tendency towards unitarist attitudes, which constitute the characteristics of Fox's unitarist construct are not a good predictor of practice. One of the limitations of this study, though, is that the survey did not address the objectives of the practices present in SMEs.

Table 6.29: Unitarist practice case by case according to measures not taken by SME managers [1]

Case No.	Items not practiced (N.) [2]	Items (%)	Case No.	Items not practiced (N.) [a]	Items (%)	Case No.	Items not practiced (N.) [a]	Items (%)	Case No.	Items not practiced (N.) [a]	Items (%)	Case No.	Items not practiced (N.) [a]	Items (%)
262	3	8.1	511	10	27.0	562	13	35.1	21	16	43.2	4	20	54.1
37	3		533	10		544	13		530	16		589	20	
318	3		545	10		67	13		291	16		255	20	
94	4	10.8	330	10		216	13		510	16		134	20	
481	4		101	10		195	13		7	16		260	20	
549	4		53	10		398	13		257	16		222	20	
102	5	13.5	175	10		71	13		301	16		36	20	
288	5		517	10		141	13		250	16		508	20	
286	6	16.2	162	10		320	13		31	16		582	20	
131	6		454	10		599	13		403	16		300	21	56.8
173	6		507	10		258	13		44b	16		568	21	
199	6		537	11		602	13		506	16		422	21	
509	6		33	11	29.7	139	13		18	16		518	21	
72	6		206	11		77	13		297	16		305	21	
570	6		573	11		59	13		261	17	45.9	278	21	
182	7	18.9	3	11		30	14	37.8	578	17		560	21	
212	7		569	11		164	14		543	17		406	21	
281	7		155	11		292	14		156	17		516	21	
200	7		556	11		229	14		534	17		201	21	
580	7		236	11		235	14		161	17		528	21	
204	8	21.6	415	11		586	14		350	17		239	22	59.5
185	8		193	11		70	14		555	17		73	22	
554	8		223	11		151	14		68	17		87	22	
224	8		176	11		157	14		122	17		259	22	
84	8		526	11		86	14		230	18	48.6	65	22	
424	8		2	11		83	14		514	18		245	22	
536	8		106	12	32.4	310	14		478	18		302	23	62.2
551	8		338	12		66	14		238	18		557	23	
225	8		397	12		357	15	40.5	553	18		183	23	
189	8		603	12		44a	15		360	18		473	23	
592	8		271	12		407	15		521	18		0	23	
120	9	24.3	313	12		585	15		515	18		46	23	
426	9		231	12		208	15		572	18		444	24	64.9
179	9		74	12		304	15		436	18		442	24	
430	9		323	12		9	15		52	18		209	24	
523	9		525	12		299	15		482	18		256	24	
309	9		248	12		595	15		535	18		369	28	75.7
145	9		125	12		213	15		89	19	51.4	480	28	
104	9		584	12		96	15		192	19		35	28	
109	9		437	12		411	15		181	19		146	29 [3]	78.4
			268	12		277	15		559	19				
						590	15		282	19				
						16	15							

1. Responses to questions C1, C3, C4, and C5, excluding items C4.6, C4.7, C4.8, C4.9, C4.11, C4.12, C5.4 to C5.9, and C5.11
2. Non-responses are counted as items not practiced with the exception of items C3.7 and C3.8.
3. This respondent did not fill in items after C3.1.

If a unitarist perspective were to be determined in part by whether managers did not adopt a set of participative practices, then table 6.30 reinforces the conclusion that the absence of participative practices of themselves may not be good indicators of a unitarist approach to management.

Table 6.30: Items not practised in each quartile

	Range of responses	Number of responses	Percentage of SME managers (N. = 206)	Cumulative percent
1st Quartile	1 – 10	51	24.8	24.8
2nd Quartile	11 - 19	115	55.8	80.6
3rd Quartile	20 – 28	39	18.9	99.5
4th Quartile	29 - 37	1	0.5	100.0

Most managers (81 percent) do not exhibit a unitarist bent on account of practices alone, leaving only 19 percent in the top two quartiles who do. There is only one case in the top quartile and the probability of error in this case is high since, in counting the non-responses as non-practices, no account can be taken in the descriptive data of questionnaire fatigue.

There are 45 cases where managers have indicated that they do not employ more than 50 percent of the various practices, which involve some degree of employee involvement. Of these, only 16 (35.6 percent) of the managers also identified agreement with more than 50 percent of unitarist items. In table 6.31, the match of quartiles for the practices, which these 16 managers indicated they did not have in place, and the unitarist items for which each of these managers indicated agreement are set down.

Table 6.31: Practices, which SME managers indicated they did not have in place and unitarist items for which each manager indicated agreement

Case	Quartile for practices[1]	Quartile for unitarist propensity
89	2	3
181	2	3
559	2	3
582	3	3
300	3	3
568	3	4
278	3	3
87	3	3
65	3	4
245	3	3
302	3	3
0	3	3
442	3	3
369	3	3
480	3	4
146	4	4

1. practice/unitarism, $r = 0.447$; Pearson's significance 0.082.

It is clear from table 6.31 that the correlation between practice and unitarist responses is low (0.447).

6.8.1 The range of issues on which managers consult employees

Question C1 asked managers, *In the normal course of your work as a manager **do you** or **would you** consult with employees on the following issues and changes?* The following items were covered by question C1:

C1.1 Changes to job design and work organisation,
C1.2 Quality and cost improvement,
C1.3 On plant layout or office design,
C1.4 Training and skills development,
C1.5 Reliable customer service and delivery,
C1.6 The financial state of the firm and its market position,
C1.7 Corporate planning,
C1.8 Market performance,
C1.9 Employee amenities,
C1.10 Personnel practices,
C1.11 Major change issues facing the company,
C1.12 Major change decisions,
C1.13 Major policy decisions,
C1.14 Securing enterprise efficiency and productivity.
C1.15 Establishing work teams with direct responsibility for setting and achieving targets

The data were not suitable for factor analysis. However, two factors could be categorized from an examination of the substantive statements. These referred to consultation on workplace efficiency and consultation with employees on strategic issues at an organisational level. These were labelled respectively, CONSEFFS and CONSTRAT. The variables in CONSEFFS included changes to job design and work organisation, quality and cost improvements, plant layout or office design, training and skills development, reliable customer service and delivery, the financial state of the firm and its market position, personnel practices, securing enterprise efficiency and productivity, and establishing work teams with direct responsibility for setting and achieving targets. Each of these consultation issues either directly or indirectly involves workplace efficiency. CONSTRAT refers to consultation at the level of organisational strategy. The consultation items related to organisational strategy were: corporate planning, market performance, major change issues facing the company, major change decisions, and major policy decisions. Item C1.9 did not fit either category and was excluded from further analysis. These two categories of consultation issues are set out in table 6.32.

Table 6.32: Categories of consultation issues on which SME managers consult employees

Consultation issues	
Workplace efficiency (CONSEFFS)	Organisational strategy (CONSTRAT)
C1.1	C1.7
C1.2	C1.8
C1.3	C1.11
C1.4	C1.12
C1.5	C1.13
C1.6	
C1.10	
C1.14	
C1.15	

While the issues in question C1 addressed the range of issues about which SME managers might consult employees, question C2 related to the degree of consultation. The proportion of SME managers consulting employees on workplace efficiency and organisational strategy are reported in table 6.33.

Table 6.33: Proportion of SME managers' consulting employees on workplace efficiency and organisational strategy

Consultation on workplace efficiency (CONSEFFS)		Consultation on organisational strategy (CONSTRAT)	
Consultation issue	Percent	Consultation issue	Percent
C1.1	91.7	C1.7	32.7
C1.2	91.2	C1.8	66.8
C1.3	86.2	C1.11	71.7
C1.4	94.6	C1.12	64.6
C1.5	92.6	C1.13	53.4
C1.6	49.0		
C1.10	85.4		
C1.14	95.1		
C1.15	89.3		

More than eight out of ten SME managers indicate that they consult with employees on workplace efficiency items, with the exception of the financial state of the firm and its market position, on which just under a half of managers consult employees. The picture is very different for consultation on matters related to organisational strategy. Fewer than one-third of SME managers consult employees on corporate planning, and just over one-half on major policy decisions. Less than two-thirds admit to consulting on major policy decisions and one-third on market performance, and seven out of ten SME managers say they consult on major change issues facing the company. SME managers are less likely to consult employees, or involve them in strategic decision-making, than they are when considering workplace efficiencies.

6.8.2 The degree to which managers consult employees

In question C2, the questionnaire asked SME managers to indicate, on a four-point scale, the degree to which they do, or would, consult employees. The scale was adapted from Dunphy and Stace (1992) who developed a typology of change leadership, which utilised four styles which ranged from what they called collaborative, consultative, directive and coercive leadership styles. These styles were summarised in the survey questionnaire. McDonald and Wiesner (2000) referred to these as management styles. One extremity of the continuum reflected widespread employee involvement in managerial decisions, whereas consultation with employees in the sense of seeking employees' views constituted less commitment to including employees in decision-making processes. This might include the possible limited involvement of employees in goal setting. At the other extremity,

managerial authority and direction are the main forms of decision-making or management initiated and implemented decisions are imposed on employees. McDonald and Wiesner (2000), in referring to management styles, called the two categories into which these two pairs of decision-making style fall, participance and exclusion. The data were not suitable for factor analysis.

The items that composed question C2, in response to the question, *To what degree do you consult with employees? You have four different decision-making methods at the head of each of the columns below. Please indicate which of these methods you **do apply** or **would apply** to the introduction of the changes and the issues listed?* were as follows:

C2.1   Major change issues facing the company,
C2.2   Occupational Health and safety,
C2.3   Changes to job design and work organisation,
C2.4   Quality and cost improvement,
C2.5   Plant layout,
C2.6   Training and skills development,
C2.7   Reliable customer service and delivery,
C2.8   The performance of the firm,
C2.9   Corporate planning,
C2.10 Market performance,
C2.11 Major policy decisions,
C2.12 Employee amenities,
C2.13 Securing enterprise efficiency and productivity.

Two factors corresponding to those reported in sub-section 6.8.1 could be categorized from an examination of the substantive statements. These likewise referred to consultation on workplace efficiency and consultation with employees on strategic issues at an organisational level. To distinguish the two variables from those identified in question C1, they were labelled respectively, DEGEFFIC and DEGSTRAT, reflecting the extent of managers' involvement of employees in decision-making as participation (or its converse, exclusion). DEGEFFIC included the following consultation issues in the degree of consultation by SME managers with employees: consultation on major change issues facing the company, occupational health and safety, changes to job design and work organisation, quality and cost improvements, plant layout, training and skills development, reliable customer service and delivery, firm performance, and securing enterprise efficiency and productivity. Each of these either directly or indirectly involves workplace efficiency. The

four variables in DEGSTRAT refer to consultation at the level of organisational strategy. These were consultation on major change issues facing the company, corporate planning, market performance, and major policy decisions. These two categories of consultation issues are set out in table 6.34.

Table 6.34: Categories of consultation issues on which SME managers involve employees in decision-making

Issues on which SME managers involve employees	
Workplace efficiency (DEGEFFIC)	Organisational strategy (DEGSTRAT)
C2.2	C2.1
C2.3	C2.9
C2.5	C2.10
C2.4	C2.11
C2.6	
C2.7	
C2.8	
C2.13	

Question C2 again included a four point scale based on Dunphy and Stace (1992), where the values, 1 and 2, referred to participative styles of decision-making and the values, 3 and 4, referred to exclusionist practices, that is, the managers did not involve employees in making decisions. The means for each item in the two categories, presented in table 6.35, indicate, first, that SME managers were more likely to consult on matters related to workplace efficiency than to organisational strategy issues. The apparent tendency was also that employee consultation with limited involvement in goal setting was more likely than widespread involvement of employees in decisions, with the overall mean of DEGEFFIC at 1.9240. SME managers were more likely to be exclusionist in consulting employees on the performance of the firm. Furthermore, as a whole, SME managers were likely to be exclusionist in making decisions about all of the items relating to organisational strategy, with the overall mean of DEGSTRAT at 2.7861.

Table 6.35: Mean values - the degree to which SME managers consult employees on workplace efficiency and organisational strategy

Consultation issues	$(\bar{X})$
DEGEFFIC	DEGSTRAT
1.9239	2.7861

The values assigned to the four-point scale relating to the degree to which managers consult, or involve employees in decision-making, ranged from 1.000 for high levels of involvement to 4.000 for employee exclusion. Table 6.35 clearly indicates that SME managers are more likely to consult on workplace efficiency than on organisational strategy. However, on individual consultation issues they were least likely to consult employees on the performance of the firm (C2.8) than other aspects of efficiency.

6.8.3 Forms of consultation

Question C3 was designed to elicit with whom SME managers discussed the consultation issues set out in sub-sections 6.8.1 and 6.8.2. The results are tabulated in table 6.36. The question required only a yes/no indication, and no further analysis is required.

Table 6.36: Discussions on consultation issues in SMEs (n. = 206)

Method of consultation		Freq.	%
C3.1.	Informal discussions with those employees affected by change	197	95.4
C3.2.	Formal meetings with those employees affected by change	191	80.1
C3.3.	Discussions with an established joint consultative committee	182	36.3
C3.4.	Discussions with a specially constituted committee established to consider the particular change	180	39.4
C3.5.	Discussions with union delegates at this specific workplace	187	20.3
C3.6.	Discussions with full-time union officials from outside the workplace	180	12.8
C3.7.	Other discussions	137	65.7
C3.8.	No discussions	198	1.9

In response to question C3: *Please tick the relevant boxes for **one or more** forms of consultation to indicate the type(s) of consultation which took place if you consulted on the matters in questions C1 and C2. If the matters in C1 and C2 did not apply to your workplace, which form(s) would the consultation take if you did introduce them?*

Both informal and formal discussions with employees who are affected by change are prevalent in the SMEs surveyed. In 71.4 percent of the cases, SME managers do both. As expected from the results regarding the frequency of consultative committees in the Australian SME study (McDonald & Wiesner 2000) only 37.2 percent of SMEs had a joint consultative committee in place. In only one-fifth of workplaces did managers consult with workplace delegates and only 12.8 percent discussed changes with full-time union officials. However, the predominant mode of consultation exists through informal discussions.

6.9 Management practices

While questions C1 and C2 ascertained the range and degree of consultation on particular issues, question C3 was designed to identify the forms of consultation implemented within

the organisation. Question C4 referred to specific practices and processes, most of which were participative:

C4.1   An employee involvement/participative programme
C4.2   Regular work or area meetings (for example, quality circles)
C4.3   A joint worker-management committee to discuss or implement workplace change
C4.4   A committee to address specific workplace issues other than safety and health
C4.5   An occupational safety and health committee
C4.6   A quality management programme (eg, ISO 9000 quality assurance, etc)
C4.7   A Just-in-Time inventory system
C4.8   Work process re-engineering (redesigning the company's processes, structure and culture)
C4.9   Job or task rotation
C4.10 Work in groups, teams, or cells
C4.11 A multi-skilling or cross training programme
C4.12 Job enlargement (viz, increased scope or responsibility level for employees)
C4.13 Autonomous/semi-autonomous work groups

McDonald and Wiesner (2002) distinguished between participant management practices where managers involve employees in decision-making and exclusionist practices, where managers exclude employees from decision-making. Practices and processes, which were not of themselves participant, were reflected in the following items: a quality management programme (eg, ISO 9000 quality assurance, etc.); a just-in-time inventory system; work process re-engineering (redesigning the company's processes, structure & culture); job or task rotation; and a multi-skilling or cross training programme. The results are set out in table 6.37.

Table 6.37: Managerial practices and processes in SMEs (n.= 206)

Practices and processes		Freq.	%	n.
C4.1.	An employee involvement/participative scheme	151	75.5	200
C4.2.	Regular work or area meetings (for example, quality circles)	152	74.9	203
C4.3.	A joint worker-management committee to discuss or implement workplace change	100	49.8	201
C4.4.	A committee to address specific workplace issues other than safety and health	105	52.0	202
C4.5.	An occupational health and safety committee	109	53.7	203
C4.6.	A quality management programme (eg, ISO 9000 quality assurance, etc.)	121	60.2	201
C4.7.	A Just-in-Time inventory system	37	18.6	199
C4.8.	Work process re-engineering (redesigning the company's processes, structure & culture)	118	59.3	199
C4.9.	Job or task rotation	142	69.9	204
C4.10.	Work in groups, teams, or cells	127	63.2	201
Practices and processes		**Freq.**	**%**	**n.**
C4.11.	A multi-skilling or cross training programme	171	84.2	203
C4.12.	Job enlargement (viz., increased scope or responsibility level for employees)	160	79.9	201
C4.13.	Autonomous/semi-autonomous work groups	80	40.2	199

In response to question C4: *In your time as manager of this workplace have you initiated, increased or maintained any of the following practices and processes in your organisation?*

Practices involving committees, including joint worker-management bodies to discuss or implement workplace change or to address specific workplace issues other than safety and health, or an occupational health and safety committee were not widely represented compared to most of the other practices and processes, although three-quarters of SME managers claimed to have an employee involvement or participative scheme.

There is apparent, internal inconsistency in the answers to this question with respect to teams, where 63.2 percent of managers reported work in groups, teams, or cells, but only 40.2 percent reported the presence of autonomous or semi-autonomous work teams. These results possibly indicate a reliance on team as metaphor rather than established, operational teams. This would be consistent with the tendency in the interview programme for managers to talk about management philosophy in operational terms. The latter proportion of managers who report the use of autonomous or semi-autonomous teams is reasonably consistent with the results of the national SME study (McDonald & Wiesner 2000). In that study, 43.3 percent of managers reported the introduction of self-managing teams in the previous three years and 45 percent reported having engaged in the establishing work teams with direct responsibility for setting and achieving targets. In

table 6.38 the data for of work in groups, teams or cells and autonomous/semi-autonomous work groups in SMEs is cross-tabulated.

Table 6.38: Cross-tabulation of work in groups, teams or cells and autonomous/semi-autonomous work groups in SMEs

Work in groups, teams or cells present in SME:	%	Freq.
SMEs with autonomous/ semi-autonomous work groups, which also report work in groups, teams or cells.	52.0	65
SMEs with no autonomous/ semi-autonomous work groups which report work in groups, teams or cells	48.0	60
No work in groups, teams or cells present in SME:		
SMEs with autonomous/ semi-autonomous work groups, which do not also report work in groups, teams or cells.	19.2	14
SMEs with no autonomous/ semi-autonomous work groups which also do not report work in groups, teams or cells	80.8	59

Results significant at p. = <0.05.

Table 6.38 indicates that only around one-half of those SMEs, which reported self-managing work teams (autonomous or semi-autonomous work groups), also reported work in groups, teams or cells. The use of 'groups' in item C4.13 instead of the word 'teams' might be significant. Managers sometimes apply the team metaphor in expressing an overall ideology or perspective on the organisation (Fox 1971; Deery & Dowling 1988; Alexander et al. 1994; Rimmer 1995) without referring to how workers are organised or whether they are arranged in self-managed, autonomous, or semi- autonomous teams.

The next question asked SME managers whether they had never used the following practices in the previous three years or used them for some jobs or all jobs:

C5.1.   A group incentive plan
C5.2.   A profit-sharing scheme
C5.3.   An employee share ownership scheme
C5.4.   A knowledge or skills base- pay programme
C5.5.   An individual performance based pay system
C5.6.   A group performance based pay system
C5.7.   A bonus system
C5.8.   Line manager makes employee selection decisions (non-managerial employees below leading hand/supervisory level)
C5.9.   More senior manager makes employee selection decisions (non-managerial employees below leading hand/supervisory level)
C5.10.   Other employees (non-managerial employees below leading hand/supervisory level) have input into selection decisions

C5.11.   Line manager conducts employee (non-managerial employees below leading hand/supervisory level) performance appraisal

C5.12.   Peer appraisal is practiced at employee level (non-managerial employees below leading hand/supervisory level)

C5.13.   Negotiations and written agreements with employees

C5.14.   Negotiations and written agreements with unions

In table 6.39, these human resources items, some of which are consistent with participant management and some of which are consistent with exclusion, were identified to provide a further dimension in the analysis of managers' behaviour.

Table 6.39: The relationship of management practices with participant and exclusionist management in SMEs (n. = 206)

Practice	Style	Never used	Used for some jobs	Used for all jobs	Practice is in use	n.
C5.15. A group incentive plan	Participance	52.2	33.3	14.4	47.7	201
C5.16. A profit-sharing scheme	Participance	52.5	31.0	16.5	47.5	200
C5.17. An employee share ownership scheme	Participance	85.9	8.0	6.0	14.0	199
C5.18. A knowledge or skills base- pay programme	*	47.3	39.9	12.8	52.7	203
C5.19. An individual performance based pay system	*	22.4	52.2	25.4	77.6	205
C5.20. A group performance based pay system	*	69.5	26.0	4.5	30.5	200
C5.21. A bonus system	*	29.1	44.3	26.6	70.9	203
C5.22. Line manager makes employee selection decisions (non-managerial employees below leading hand/supervisory level)	Exclusion	33.0	51.5	15.5	67.0	200
C5.23. More senior manager makes employee selection decisions (non-managerial employees below leading hand/supervisory level)	Exclusion	15.5	65.5	19.0	84.5	200
C5.24. Other employees (non-managerial employees below leading hand/supervisory level) have input into selection decisions	Participance	54.0	44.1	1.9	46.0	202
C5.25. Line manager conducts employee (non-managerial employees below leading hand/supervisory level) performance appraisal	Exclusion	26.1	53.7	23.2	76.9	203
C5.26. Peer appraisal is practiced at employee level (non-managerial employees below leading hand/supervisory level)	Participance	70.8	24.3	5.0	29.3	202
C5.27. Negotiations and written agreements with employees	Participance	23.5	52.5	24.0	76.5	204
C5.28. Negotiations and written agreements with unions	Participance	75.0	19.5	5.5	25.0	200

 * Not clearly participance or exclusion.

In response to question C5: *To what extent have you employed the following practices in the past 3 years?*

In the second column, each item is categorised as to whether it constitutes a participant or exclusionist action. This was not done on the questionnaire form. Seven of the 14 practices are unambiguously participant. The sixth column indicates the percentage of SMEs in which the practice was used at all. Each practice was used for all jobs by a smaller minority of managers than the proportion of managers who used that practice only for some jobs. Only half of the practices were employed at all by SME managers, with the most common practices being employee selection decisions by senior managers (C5.9, 84.5 percent), individual performance based pay systems (C 5.6, 77.6 percent), performance appraisal conducted by line manager (C5.11, 76.9 percent), and negotiations and written agreements with employees (C5.13, 76.5 percent). Of these four items, only one, the latter, was clearly a participant practice.

In the next section, factor analysis was conducted on the level of satisfaction with employee performance.

6.10 Managers' satisfaction with employee performance

The final section of the survey questionnaire dealt with the level of satisfaction of SME managers with their workforce and their firm's performance. The participants were asked to indicate their level of satisfaction on a four point scale from extremely satisfied to extremely dissatisfied. There were 16 items. The question asked SME managers how satisfied they were 'with the following aspects of your workforce and your firm's performance'. The questions, however, were mostly about satisfaction with employees' performance and attitudes, except for D1.5, which referred to organisational profitability.

D1.1 Employee morale,
D1.2 Employee commitment to organisational goals,
D1.3 Employee turnover,
D1.4 Employee attention to quality of service or product,
D1,5 Organisational profitability,
D1.6 Employee absenteeism,
D1.7 Accident rates,
D1.8 Employee stress,
D1.9 Employee loyalty to the firm,
D1.10 Employee cooperativeness,
D1.11 Employee willingness to complete tasks on time,
D1.12 Wastage rates (or damage to equipment, if you are a service organisation),

D1.13 Necessity for reworking (or re-doing tasks, if you are a service organisation)
D1.14 Employees' customer orientation,
D1.15 Employees' interest in the work,
D1.16 Employees' pride in the firm,
D1.17 Employees' pride in their work.

No items were deleted after reliability analysis. Being a scaled set of responses, factor analysis was considered appropriate in order to reduce the number of variables. The first step produced the Kaiser-Meyer-Olkin MSA with a value of .882, which met Hair et al.'s description as 'meritorious' for further analysis. Bartlett's test of sphericity obtained an approximate χ^2 of 1328.069 (df=136), significant at p<.001, confirming the suitability for the second step of factor analysis. The first four components accounted for 47 percent of variance. Principal factor analysis was conducted with Varimax rotation. The results are indicated in table 6.40.

Table 6.40: SME managers' satisfaction with workforce and organisational performance

Variables	Factor 1: Employee altruism ALTRUISM	Factor 2: Employee commitment COMMITED	Factor 3: Employee productivity PRODVITY	Factor 4: Work effects on Employees WORKEFFS
D1.16[*]	.753			
D1.17[*]	.730			
D1.15	.684			
D1.14[*]	.541			
D1.5	.334			
D1.10		.733		
D1.11		.609		
D1.9[*]		.536		
D1.2[*]	.	.505		
D1.12			.514	
D1.13[*]			.508	
D1.6			.497	
D1.7			.487	
D1.4[*]			.454	
D1.3			.346	
D1.1[*]				.556
D1.8				.482

Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 11 iterations.

* These variables were retained in the factor where the highest coefficient was found.

Table 6.40 indicates that there were four factors latent in the satisfaction scale. Factor 1, employee altruism (ALTRUISM), consists of four statements relating to SME managers' satisfaction with the assiduity of employees as expressed in their pride in the firm (D1.16) and their work (D1.17), interest in their work (D1,15) and having a customer orientation (D1.5). The final statement refers to organisational productivity, which, it is argued, is linked to employee commitment (Harrell-Cook & Ferris 1997) of which conscientiousness or assiduity can be elements. The second factor, managers' satisfaction with employee commitment (COMMITED), has similar characteristics to the first, focussing on employee qualities of cooperation (D1.10), task orientation (willingness to complete tasks on time, D1.11), loyalty to the firm (D1.9), and commitment to organisational goals (D1.2). All of the variables in Factor 3 refer to issues directly or indirectly associated with managers' satisfaction with productivity. Employee productivity (PRODVITY) is distinguished from COMMITED because the factor is task-oriented, focussing on wastage (D1.12), reworking (D1.13) and attention to quality (D1.6). Indirect measures include absenteeism (D1.7), accident rates (D1.4) and turnover (D1.3), which may have negative impacts on productivity. The fourth factor includes managers' satisfaction with two workplace management effects on employees: their morale (D1.1) and stress (D1.8). This was called 'Work effects on employees' (WORKEFFS). These four variables were referred to as satisfaction variables.

The scale ranged from extremely satisfied (1.000) to extremely dissatisfied (5.000). Table 6.41 indicates that there was strong support for each of the individual performance items. There was an even split between SME managers regarding the satisfaction items as either satisfactory (8 items) or excellent to satisfactory (9 items). There was strong support for ALTRUISM, COMMITED, and WORKEFFS, and moderate support for PRODVITY

Table 6.41: Mean values - SME managers' satisfaction with workforce performance

Satisfaction variables		$(\bar{X})$	
ALTRUISM	**COMMITED**	**PRODVITY**	**WORKEFFS**
1.9970	1.9146	2.0114	1.9728

In the next section, nonparametric tests were used to analyse the relationship between the independent variables (organisational and personal) and the eleven unitarist variables.

6.11 The significance of relationships between independent variables and the unitarist variables

This section reports the impact of the organisational, personal and limitations independent variables on the eleven unitarist variables using the Kruskal-Wallis one-way analysis of variance and, where applicable, Spearman's rho (ρ).

There were twelve independent variables, of which five were characteristics of the SMEs, five were personal characteristics, and two related to the limitations managers reported in managing employees. The organisational characteristics were size, industry, unionisation, union presence, and whether a family owns the firm. The five managers' characteristics were the education level of the respondents, the major source of their ideas on management, whether the respondent was an owner of the organisation, and the managers' age and gender. The limitations variables were managers' perceptions of internal and external restrictions on managing employees.

The three sets of independent variables suggested twelve research questions:

1. Is there a significant relationship between SME size and the unitarist variables?
2. Is there a significant relationship between industry sector and the unitarist variables?
3. Is there a significant relationship between SME managers' estimates of unionisation and the unitarist variables?
4. Is there a significant relationship between the presence of unions in the SME and the unitarist variables?
5. Is there a significant relationship between family ownership of the SME and the unitarist variables?
6. Is there a significant relationship between the highest level of the SME manager's formal education and the unitarist variables?
7. Is there a significant relationship between major source of SME managers' ideas about management and the unitarist variables?
8. Is there a significant relationship between the ownership status of SME managers and the unitarist variables?
9. Is there a significant relationship between the SME managers' age and the unitarist variables?
10. Is there a significant relationship between the SME managers' gender and the unitarist variables?

11. Is there a significant relationship between SME managers' perceptions of internal limitations on the management of employees and the unitarist variables?
12. Is there a significant relationship between SME managers' perceptions of external limitations on the management of employees and the unitarist variables?

In each case, the null hypotheses derived from the research questions were tested. The significance of the task in employing tests of null hypotheses was to establish whether a relationship exists between the unitarist variables and other variables. Since there is in the literature none of the detailed empirical research on unitarism that this thesis presents, the employment of null hypotheses in order to establish whether there is, for example, any relationship between a unitarist variable such as managerial attitudes towards unions and managerial behaviour has avoided nonsensical, obvious or uninformative proposals. It is not clear that any of the null hypotheses presented in this thesis are *a priori* false (Anderson, Burnham & Thomson 2000, p. 913). Where a null hypothesis is rejected, a relationship between the unitarist variables and other variables exists (Howell 1985, p. 105).

Nonparametric tests were applied to the relationship between the independent organisational and personal variables and the dependent unitarist variables, derived by factor analysis from the questions corresponding to each of the four unitarist dimensions. The reason for the use of nonparametric methods is that the data for the four dimensions of the unitarist ideology are ordinal data. In each of the four questions, ranked data were derived on a five point scale from strongly agree to strongly disagree. Siegal and Castellan (1988, p. 3) argued that nonparametric techniques of testing hypotheses are suited to the social sciences where the social scientist may not be dealing with normally distributed data. Kruskal-Wallis one-way analysis of variance by ranks was applied to the null hypotheses to determine whether they can be rejected or not, addressing the research questions and null hypotheses relating to the dimensions derived from the four core concepts established to test Fox's unitarist ideology (SME managers' attitudes towards managerial prerogative, conflict, collective workplace relations, and trade unions). Spearman's ρ was used to test the measure of association between the two sets of ranked data (Siegal & Castellan 1988, p. 235): the independent variables, managers' perceptions of internal and external restrictions on managing employees, and the unitarist variables.

The Kruskal-Wallis test identified whether each of the organisational and personal variables has a significant impact on the unitarist variables identified by the factor analysis. The analysis of variance by ranks is a multivariate statistical technique with the objective of establishing whether there are any significant relationships between the independent and dependent variables. Since the dependent variables were ranked on a five-point scale from strongly agree to strongly disagree (and in the case of questions C5 and D1, a four point scale), the Kruskal-Wallis one-way analysis of variance of ranks was appropriate for the data type (Selvanathan et al. 2000, p. 569). The Kruskal-Wallis test was employed to determine possible differences between the independent variables and dependent variables. Where the chi square (χ^2) value of the items is equal to or greater than the tabled critical χ^2 value, the null hypothesis may be rejected (Sheskin 1997, p. 400). Where Kruskal-Wallis tests cannot be performed because there are insufficient cases, Spearman's nonparametric rank correlation test was performed.

There were two sets of null hypotheses tested. The first dealt with the null hypotheses that each of the independent organisational variables does not have a significant relationship with each of the dependent variables identified by factor analysis. The second tested the null hypotheses that each of the independent personal variables does not have a significant relationship with each of the dependent variables identified by factor analysis. The third set of null hypotheses explored the significance of the relationship between independent internal and external limitations on the management of employees, on the one hand, and the dependent unitarist variables, on the other hand.

There are 132 null hypotheses relating to the impact of the organisational, personal, and limitations variables on the unitarist variables organised into 12 sets of null hypotheses. Null hypotheses are employed because The 11 dependent unitarist variables in the null hypotheses are grouped in each of the following null hypotheses. The individual hypotheses, which the Kruskal-Wallis tests have rejected, are reported after table 6.34.

> H_{001} SME size does not have a significant impact on the unitarist variables,
>
> H_{002} The SME's industry category does not have a significant impact on the unitarist variables,

H_{003} *SME managers' estimates of union membership in the organisation do not have a significant impact on the unitarist variables,*

H_{004} *Union presence in the organisation does not have a significant impact on the unitarist variables,*

H_{005} *Family ownership of the SME does not have a significant impact on the unitarist variables,*

H_{006} *The highest level of formal education does not have a significant impact on the unitarist variables,*

H_{007} *The major source of managers' ideas about management does not have a significant impact on the unitarist variables,*

H_{008} *Whether the manager is an owner does not have a significant impact on the unitarist variables,*

H_{009} *The manager's age does not have a significant impact on the unitarist variables,*

H_{010} *The manager's gender does not have a significant impact on the unitarist variables,*

H_{011} *Internal limitations perceived by the manager do not have a significant impact on the unitarist variables,* and

H_{012} *External limitations perceived by the manager do not have a significant impact on the unitarist variables.*

The Chi-square value of the tests for the significance of the relationship between, on the one hand, the independent organisational and personal variables and, on the other hand, the dependent unitarist variables are presented in table 6.42. Table 6.43 presents the Spearman correlation tests of the significance of the relationship between the perceived limitations on management and the unitarist variables. While both sets of tests indicate whether there is a significant relationship between the variables, they do not provide any information about what managerial attitude towards the unitarist variables are predicted by the independent variables. Where there is a significant relationship between an independent variable and a unitarist variable, it is indicated in the table with shaded text.

| | Independent variables (χ^2 values) | | | | | | | | | |
| | Organisational variables | | | | | Personal variables | | | | |
Unitarist variables	SMESIZES	INDUSTRY	UNIONISN	UPRESENC	FAMLYBUS	MANQUALS	MANIDEAS	MANOWNER	AGE	GENDER
PARTICPN:	1.136	1.763	4.496	2.851	1.806	2.614	.408	.297	1.457	.780
MANLEGIT:	4.945*	6.073*	5.529	2.118	8.780**	10.213*	3.644	.328	4.682	2.949
MANRESPY:	.411	4.753*	4.331	1.761	.957	5.589	3.065	1.919	2.951	.071
INDIVIDU:	1.282	1.688	.628	.702	.333	.622	1.111	.257	4.163	1.235
CONTROLS:	.690	1.617	3.981	.711	.615	3.983	.864	.225	5.575	.594
DYSFUNCT:	5.549*	5.086*	8.071*	.887	12.671**	13.116*	4.635	.241	9.564*	1.925
INADEQCY:	.043	1.433	2.168	1.982	5.216*	20.880**	10.074*	.006	4.708	.377
COLLRELS:	3.922*	3.336	3.189	1.731	2.362	7.454	4.199	.490	1.787	4.656*
INTRUSIN:	.030	1.382	6.420	4.290	10.382**	6.347	3.575	.743	4.040	.073
AVOIDANC:	.305	1.009	2.667	4.280	6.411*	6.237	4.720	.056	1.690	.004
RELEVANC:	9.628**	1.368	12.616*	9.209*	5.324*	1.262	.917	.853	.538	.155

*. p≤.05; **. p≤.01

Twenty-two null hypotheses, which exceeded the critical value for χ^2 for the relevant degrees of freedom, were rejected, indicating a significant relationship between those independent variables and the unitarist variables highlighted in table 6.42.

In table 6.43, the results of the Spearman rank correlation test are presented for the two independent, limitations ranked variables (INTERNAL and EXTERNAL).

Table 6.43: The significance of the relationship between the limitations variables and the unitarist dimensions

| Unitarist variables | Limitations on the management of employees (ρ) | |
| | Internal limitations | External limitations |
	INTERNAL	EXTERNAL
PARTICPN:	-.022	.155*
MANLEGIT:	.155*	.185*
MANRESPY:	.003	.146*
INDIVIDU:	-.006	.062
CONTROLS:	.157*	.055
DYSFUNCT:	-.042	-.007
INADEQCY:	.060	.199**
COLLRELS:	.224*	.237**
INTRUSIN:	.162*	.172*
AVOIDANC:	.123	.018
RELEVANC:	.048	.009

*. p≤.05; **. p≤.01

It is evident from table 6.43 that there are significant relationships between the internal variables and four of the unitarist variables. These were the internal limitations on the management of employees' and managers' perspectives on managerial prerogative, managerial direction, collective workplace relations and in regarding unions as an intrusion into the organisation. Likewise, there were significant relationships between the external variables and six of the unitarist variables. The perceived external limitations, which included such sources as awards and unions, had a significant relationship with SME managers' views on employee participation, managerial legitimacy, managerial responsibility, employee inadequacy as a cause of conflict in the workplace, collective workplace relations and their views on unions as an intrusion into the organisation. Nevertheless, the correlations are low.

Tables 6.42 and 6.43 indicate that there are 32 null hypotheses that the tests reject and that there is a significant relationship between the independent variables and the unitarist variables.. Sub-sections 6.11.1 to 6.11.12 present the rejected null hypotheses formulated according to the research questions arising from organisational, personal and limitations data and the unitarist variables. The findings are summarised in sub-section 6.11.1-6.11.13.

6.11.1 SME size and the unitarist dimensions

The first set of significant relationships is determined by size. The Kruskal-Wallis test found that there is a significant relationship between SME size and managers' attitudes towards managerial legitimacy, conflict being organisationally dysfunctional, collective workplace management arrangements and the relevance of trade unions. The corresponding null hypotheses rejected by the tests are as follows:

H_{001_2} *There is no significant relationship between SME size and managers' attitudes towards managerial legitimacy,*

H_{001_6} *There is no significant relationship between SME size and managers' views on the perception that conflict is organisationally dysfunctional,*

H_{001_8} *There is no significant relationship between SME size and managers' attitudes towards collective workplace relations*, and

$H_{001_{11}}$ *There is no significant relationship between SME size and managers' attitudes towards the relevance of trade unions.*

6.11.2 Industry sector and the unitarist dimensions

Industry sector had a significant relationship with SME managers' attitudes towards managerial legitimacy, managerial responsibility, and conflict regarded as being organisationally dysfunctional. The following null hypotheses were therefore rejected:

H_{002_2} *There is no significant relationship between the SME's industry category and managers' attitudes towards managerial legitimacy,*

H_{002_3} *There is no significant relationship between the SME's industry category managers' attitudes towards managerial responsibility*, and

H_{002_6} *There is no significant relationship between The SME's industry category and managers' views on the perception that conflict is organisationally dysfunctional.*

6.11.3 SME managers' estimates of unionisation and the unitarist dimensions

Managers' estimates of union membership in the SME were found to have a significant relationship with two of the eleven unitarist variables. The first was the view that conflict is organisationally dysfunctional. The second was the relevance of trade unions. The rejected null hypotheses were:

H_{003_6} *There is no significant relationship between SME managers' estimates of union membership in the organisation and managers' views on the perception that conflict is organisationally dysfunctional*, and

$H_{003_{11}}$ *There is no significant relationship between SME managers' estimates of union membership in the organisation and managers' attitudes towards the relevance of trade unions.*

6.11.4 The presence of unions in the SME and the unitarist dimensions

Union presence was significant for only one of the eleven unitarist variables: that is, managers' attitudes towards the relevance of trade unions. The null hypothesis,

$H_{004_{11}}$ *There is no significant relationship between union presence in the organisation and managers' attitudes towards the relevance of trade unions.*

was, therefore, rejected.

6.11.5 Family ownership of the SME and the unitarist dimensions

There was a significant relationship between family ownership of the SME and six of the eleven unitarist variables. These dependent variables were managers' attitudes towards, first, managerial legitimacy; second, the view that conflict is organisationally dysfunctional; third, the view that employee inadequacy causes conflict; fourth, the opinion that unions are an intrusion into the organisation; fifth, the view that trade unions ought to be avoided; and, sixth, whether trade unions are relevant. The following null hypotheses were, therefore, rejected:

H_{005_2} *There is no significant relationship between family ownership of the SME and managers' attitudes towards managerial legitimacy,*

H_{005_6} *There is no significant relationship between family ownership of the SME and managers' views on the perception that conflict is organisationally dysfunctional,*

H_{005_7} *There is no significant relationship between family ownership of the SME and managers' attitudes towards the view that that employee inadequacy causes conflict,*

H_{005_9} *There is no significant relationship between family ownership of the SME and managers' attitudes towards the view that unions are an intrusion into the organisation,*

$H_{005_{10}}$ *There is no significant relationship between family ownership of the SME and managers' attitudes towards the view that unions ought to be avoided,*

$H_{0}05_{11}$ There is no significant relationship between family ownership of the SME and managers' attitudes towards the relevance of trade unions.

6.11.6 The highest level of the SME manager's formal education and the unitarist dimensions

The first of the personal characteristics, which have a significant relationship with some of the eleven unitarist variables, is the highest level of the manager's formal education. This characteristic has a significant relationship with four of the unitarist variables. These were the managers' views on, first, managerial legitimacy, second, the view that conflict is organisationally dysfunctional, third, the view that employee inadequacy causes conflict, and, fourth, collective workplace relations, leading to the rejection of the following null hypotheses:

$H_{0}06_{2}$ There is no significant relationship between the highest level of formal education and managers' attitudes towards managerial legitimacy,

$H_{0}06_{6}$ There is no significant relationship between the highest level of formal education and managers' views on the perception that conflict is organisationally dysfunctional, and

$H_{0}06_{7}$ There is no significant relationship between the highest level of formal education and managers' views on the perception that that employee inadequacy causes conflict.

6.11.7 The major source of SME managers' ideas about management and the unitarist dimensions

The major source of managers' ideas about management was significant only for managers' attitudes towards the view that employee inadequacy causes conflict. Thus the following null hypothesis is rejected:

$H_{0}07_{7}$ There is no significant relationship between the major source of managers' ideas about management and their attitudes towards the view that employee inadequacy causes conflict.

6.11.8 The ownership status of SME managers and the unitarist dimensions

The ownership status of the SME manager was significant for none of the eleven unitarist variables.

6.11.9 SME managers' age and the unitarist dimensions

Age was significantly related only to the view that conflict is organisationally dysfunctional, leading to the rejection of the null hypothesis:

$H_{0}09_{6}$ *There is no significant relationship between the manager's age and their view on the perception that conflict is organisationally dysfunctional.*

6.11.10 SME managers' gender and the unitarist dimensions

Gender was significant for only one of the unitarist variables, and that was managers' attitudes towards collective workplace relations. The following null hypothesis was therefore rejected:

$H_{0}10_{8}$ *There is no significant relationship between the manager's gender and their attitudes towards collective workplace relations.*

6.11.11 SME managers' perceptions of internal limitations on the management of employees and the unitarist dimensions

Internal limitations on the management of employees had a significant relationship with four of the eleven unitarist variables: managers' attitudes towards managerial legitimacy; managerial control; collective workplace relations; and the view that unions are an intrusion into the organisation. Thus, the null hypotheses,

$H_{0}11_{2}$ *There is no significant relationship between internal limitations perceived by the manager and managers' attitudes towards managerial legitimacy,*

$H_{0}11_{5}$ *There is no significant relationship between internal limitations perceived by the manager and managers' views on managerial control,*

$H_{0}11_{8}$ *There is no significant relationship between internal limitations perceived by the manager and managers' attitudes towards collective workplace relations,* and

$H_{0}11_{9}$ *There is no significant relationship between internal limitations perceived by the manager and managers' view on the perception that unions are an intrusion into the organisation,*

were rejected.

6.11.12 SME managers' perceptions of external limitations on the management of employees and the unitarist dimensions

Finally, the variable, external limitations on managing employees, impacted significantly on six unitarist variables: managers' attitudes towards employee participation, managerial

legitimacy, managerial responsibility, the view that employee inadequacy causes conflict, collective workplace relations, and the view that unions are an intrusion into the organisation. The following null hypotheses were, therefore, rejected.

H_012_1 *There is no significant relationship between external limitations perceived by the manager and managers' attitudes towards employee participation,*

H_012_2 *There is no significant relationship between external limitations perceived by the manager and managers' attitudes towards managerial legitimacy,*

H_012_3 *There is no significant relationship between external limitations perceived by the manager and managers' attitudes towards managerial responsibility,*

H_012_7 *There is no significant relationship between external limitations perceived by the manager and managers' views on the perception that that employee inadequacy causes conflict*

H_012_8 *There is no significant relationship between external limitations perceived by the manager and managers' attitudes towards collective workplace relations,* and

H_012_9 *There is no significant relationship between external limitations perceived by the manager and managers' view on the perception that unions are an intrusion into the organisation.*

6.11.13 Summary of the significance the independent organisational, personal, and limitations variables for the unitarist dimensions

Eleven of the twelve independent variables had a significant impact on at least one unitarist variable. The most influential independent variables were FAMLYBUS and EXTERNAL (6 significant relationships) followed by SMESIZES and INTERNAL (4 significant impacts each), which together accounted for 20 (62.5 percent) of the 32 significant relationships between the independent and the unitarist variables. The only variable with a significant impact on SME managers' attitudes towards employee participation was EXTERNAL. The organisational variables had no significant impact on INDIVIDU or CONTROLS. Of the three groups of variables, the personal characteristics had the least impact, exercising no significant relationship with PARTICIPN, MANRESPY, INDIVIDU, CONTROLS, INTRUSIN, AVOIDANC or RELEVANC. If ideology were to reflect the controlling interests of the owners of businesses, it is surprising that the ownership status of SME managers was significant for none of the unitarist variables. Paradoxically, however, the family business characteristic was significant for six of the eleven unitarist variables. These were managers' attitudes towards managerial legitimacy, the view that conflict is

organisationally dysfunctional, the view that employee inadequacy causes conflict, and all three sets of views towards trade unions (INTRUSIN, AVOIDANC and RELEVANC).

Both internal and external limitations on managing employees had a significant relationship with managers' attitudes towards managerial legitimacy, collective workplace relations and the view that unions are an intrusion into the organisation. The single independent variable with significance for managerial direction was the internal limitations variable. Six of the independent variables were significant for the respondents' perspectives towards managerial legitimacy and on the view that conflict is organisationally dysfunctional. For DYSFUNCT, these were the organisational variables: size, industry, unionisation and whether the organisation was a family business. The personal characteristics, which impacted on that perspective, were the managers' qualifications and their age. One organisational variable (family business), two personal characteristics (the manager's highest educational qualification and the principal source of the manager's ideas about management) and external limitations on the management of employees had a significant relationship with managers' perspectives on the view that employee inadequacies caused conflict. The unitarist variable, collective workplace relations, was significantly impacted by size and gender, and both of the limitations variables. If the SME was a family business then there was a significant relationship with the view that trade unions are an intrusion into the organisation and that trade unions should be avoided. Both internal and external limitations on the management of employees were also significant for the perspective that trade unions intrude into organisations, but not for AVOIDANC, which was significantly impacted only by FAMLYBUS. Attitudes towards the question of the relevance of trade unions were impacted solely by organisational variables: size, the manager's estimates on unionisation, the presence of trade unions and whether the business was family-owned.

In this section, the relationship between the organisational, personal and limitations variables on the eleven unitarist variables was explored using Kruskal-Wallis tests for the organisational and personal variables and Spearman's test for the limitations variables. Next, the unitarist variables will be treated as independent variables in exploring the significance of their relationship with workplace practices in testing the notion of ideology as ideas-and-action, using Spearman's test.

6.12 Unitarist dimensions and management practice

In chapter 3, ideology was discussed in terms of action-oriented values and beliefs. The fusion of the ideational and practice in the notion of ideology raises a number of possible hypotheses which are explored in this section. The tests of the significance related to the question of the applicability of the notion of ideology as beliefs-and-action are reported in sub-sections 6.12.1 to 6.12.3 and the findings summarised in sub-section 6.12.4.

The possible linkages between ideology and consultation and other management practices suggest three research questions, as follows:

1. Are there any significant relationships between the unitarist variables and the range of issues on which SME managers consult employees?
2. Are there any significant relationships between the unitarist variables and the degree to which SME managers consult employees?
3. Do the unitarist variables have a significant relationship with workplace management practices?

In the first sub-section, Spearman's rho was used to test the ideological unity of attitudes (beliefs and values) and managerial action, through examining the significance of the relationship between the unitarist variables and about what SME managers do or might consult employees.

6.12.1 Unitarist dimensions and the range of issues on which SME managers consult employees

In this sub-section, the question, whether there is a significant relationship between the unitarist variables for certain workplace practices, was tested. Spearman's correlation was used to test the significance. The results are set out in table 6.31. The issues on which managers might consult were those matters referring to efficiencies in the workplace (CONSEFFS) and those referring to organisational strategy (CONSTRAT).

Twenty-two null hypotheses were derived from analysing the impact of the eleven unitarist variables on consultation with employees on a range of issues. The null hypotheses cover the following:

H_013 SME managers' attitudes towards employee participation do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_014 SME managers' attitudes towards employee participation do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_015 SME managers' attitudes towards managerial legitimacy do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_016 SME managers' attitudes towards managerial legitimacy do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_017 SME managers' attitudes towards managerial responsibility do not have a significant impact whether SME managers consult employees on workplace efficiencies,

H_018 SME managers' attitudes towards managerial responsibility do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_019 SME managers' attitudes towards the individualisation of the employment contract do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_020 SME managers' attitudes towards the individualisation of the employment contract do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_021 SME managers' attitudes towards managerial control do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_022 SME managers' attitudes towards managerial control do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_023 SME managers' attitudes towards the view that conflict is organisationally dysfunctional do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_024 SME managers' attitudes towards the view that conflict is organisationally dysfunctional do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_025 SME managers' attitudes towards the view that employee inadequacy causes conflict do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_026 SME managers' attitudes towards the view that employee inadequacy causes conflict do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_027 SME managers' attitudes towards collective workplace relations do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_028 SME managers' attitudes towards collective workplace relations do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_029 SME managers' attitudes towards the view that unions are an intrusion into the organisation do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_030 SME managers' attitudes towards the view that unions are an intrusion into the organisation do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_031 SME managers' attitudes towards the view that trade unions ought to be avoided do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_032 SME managers' attitudes towards the view that trade unions ought to be avoided do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_033 SME managers' attitudes towards the relevance of trade unions do not have a significant impact on whether SME managers consult employees on workplace efficiencies.

H_034 SME managers' attitudes towards the relevance of trade unions do not have a significant impact on whether SME managers consult employees on organisational strategy.

Consultation refers to management seeking and considering the views of its employees before making a decision. It does not extend to further involvement or participation in decision-making (Alexander and Lewer 1996). The distinction drawn by Dunphy and Stace (1992), for example, between involvement and consultation is not clear, and this is a problem with the consultation literature, which the author has discussed elsewhere (McDonald & Wiesner 2000).

The results are set out in table 6.44.

Table 6.44: The impact of unitarist dimensions on SME managers' consultation of employees on consultation issues

Consultation variables	Unitarist variables (Spearman's ρ)										
	PARTICPN	MANLEGIT	MANRESPY	INDIVIDU	CONTROL	DYSFUNCT	INADEQCY	COLLRELS	INTRUSIN	AVOIDANC	RELEVANC
CONSEFFS	-.427**	-.257**	-.159*	-.170*	.014	-.125	-.218**	-.231**	-.084	-.063	.046
CONSTRAT	-.495**	-.321***	-.296**	-.229**	.063	-.144*	-.219**	-.223**	-.120	-.192*	-.048

* $p \leq .05$; **; $p \leq .01$

Six of the unitarist variables had a significant impact on SME managers' consultation on both workplace efficiencies and organisational strategy. These were managers' attitudes towards employee participation, managerial responsibility, individual contracts and their effects on managerial prerogative, the view that employee inadequacy causes conflict, and collective workplace relations. Their attitudes towards the view that conflict is organisationally dysfunctional and that unions ought to be avoided were significant for consultation on organisational strategy. Thus, 14 (63.6) of the 22 hypotheses were rejected. The rejected hypotheses are as follows:

H_{013} SME managers' attitudes towards employee participation do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_{014} SME managers' attitudes towards employee participation do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_{015} SME managers' attitudes towards managerial legitimacy do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_{016} SME managers' attitudes towards managerial legitimacy do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_{017} SME managers' attitudes towards managerial responsibility do not have a significant impact whether SME managers consult employees on workplace efficiencies,

H_{018} SME managers' attitudes towards managerial responsibility do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_019 SME managers' attitudes towards the individualisation of the employment contract do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_020 SME managers' attitudes towards the individualisation of the employment contract do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_024 SME managers' attitudes towards the view that conflict is organisationally dysfunctional do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_025 SME managers' attitudes towards the view that employee inadequacy causes conflict do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_026 SME managers' attitudes towards the view that employee inadequacy causes conflict do not have a significant impact on whether SME managers consult employees on organisational strategy,

H_027 SME managers' attitudes towards collective workplace relations do not have a significant impact on whether SME managers consult employees on workplace efficiencies,

H_028 SME managers' attitudes towards collective workplace relations do not have a significant impact on whether SME managers consult employees on organisational strategy, and

H_032 SME managers' attitudes towards the view that trade unions ought to be avoided do not have a significant impact on whether SME managers consult employees on organisational strategy.

These null hypotheses refer to the range of matters on which managers might consult employees. The next set of hypotheses in sub-section 6.9.2 refers to the degree to which managers consult employees on a range of consultation issues.

6.12.2 The unitarist dimensions and the degree to which SME managers consult employees

Question C2 dealt with four degrees of involving employees in decision-making on consultation issues, from widespread employee involvement in decisions to managers initiating and implementing change. The consultation issues were divided between the degree to which SME managers consult employees on efficiencies (DEGEFFIC) and the degree of consultation on organisational strategy (DEGSTRAT). Table 6.45 reports the Spearman's correlation tests on the following null hypotheses:

H_035 SME managers' attitudes towards employee participation do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

H_036 SME managers' attitudes towards employee participation do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

H_037 SME managers' attitudes towards managerial legitimacy do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

H_038 SME managers' attitudes towards managerial legitimacy do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

H_039 SME managers' attitudes towards managerial responsibility do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

H_040 SME managers' attitudes towards managerial responsibility do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

H_041 SME managers' attitudes towards individualisation of the employment contract do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

H_042 SME managers' attitudes towards individualisation of the employment contract do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

H_043 SME managers' attitudes towards managerial control do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

H_044 SME managers' attitudes towards managerial control do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

H_045 SME managers' attitudes towards the view that conflict is organisationally dysfunctional do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

H_046 SME managers' attitudes towards the view that conflict is organisationally dysfunctional do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

H_047 SME managers' attitudes towards the view that employee inadequacy causes conflict do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

H_048 SME managers' attitudes towards the view that employee inadequacy causes conflict do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

H_049 SME managers' attitudes towards collective workplace relations do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

H_050 SME managers' attitudes towards collective workplace relations do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

H_051 SME managers' attitudes towards the view that unions are an intrusion into the organisation do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

H_052 SME managers' attitudes towards the view that unions are an intrusion into the organisation do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

H_053 SME managers' attitudes towards the view that trade unions ought to be avoided do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

H_054 SME managers' attitudes towards the view that trade unions ought to be avoided do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

H_055 SME managers' attitudes towards the relevance of trade unions do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies.

H_056 SME managers' attitudes towards the relevance of trade unions do not have a significant impact on the degree to which SME managers consult employees on organisational strategy.

Table 6.45: The impact of unitarist dimensions on the degree to which SME managers consult employees

Consult-ation degree variables	Unitarist variables (Spearman's ρ)										
	PARTICPN	MANLEGIT	MANRESPY	INDIVIDU	CONTROL	DYSFUNCT	INADEQCY	COLLRELS	INTRUSIN	AVOIDANC	RELEVANC
DEGEFFIC	-.389**	-.354**	-.265**	-.186*	-.040	-.126	-.207**	-.282**	-.230**	-.137	-.038
DEGSTRAT	-.374**	-.348**	-.334**	-.210*	-.050	-.100	-.174*	-.232**	-.127	-.092	-.010

* p≤.05; ** p≤.01

Six of the unitarist variables - managers' attitudes towards employee participation, managerial legitimacy, managerial responsibility, individual contracts and their effects on managerial prerogative, the view that employee inadequacy causes conflict, and collective workplace relations - had a significant impact on the degree of consultation on both workplace efficiencies and organisational strategy. Managers' attitudes towards the view that unions are an intrusion into the organisation had a significant relationship with whether managers involve employees in decisions on organisational strategy. The following 13 null hypotheses were, therefore, rejected:

> H_{035} *SME managers' attitudes towards employee participation do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,*

> H_{036} *SME managers' attitudes towards employee participation do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,*

> H_{037} *SME managers' attitudes towards managerial legitimacy do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,*

> H_{038} *SME managers' attitudes towards managerial legitimacy do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,*

> H_{039} *SME managers' attitudes towards managerial responsibility do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,*

$H_{0}40$ SME managers' attitudes towards managerial responsibility do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

$H_{0}41$ SME managers' attitudes towards individualisation of the employment contract do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

$H_{0}42$ SME managers' attitudes towards individualisation of the employment contract do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

$H_{0}47$ SME managers' attitudes towards the view that employee inadequacy causes conflict do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

$H_{0}48$ SME managers' attitudes towards the view that employee inadequacy causes conflict do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

$H_{0}49$ SME managers' attitudes towards collective workplace relations do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

$H_{0}50$ SME managers' attitudes towards collective workplace relations do not have a significant impact on the degree to which SME managers consult employees on organisational strategy,

$H_{0}51$ SME managers' attitudes towards the view that unions are an intrusion into the organisation do not have a significant impact on the degree to which SME managers consult employees on workplace efficiencies,

In this section, the tests were about the impact of the unitarist variables on the substance of consultation and the degree to which SME managers consult employees. In the next section, the attention is on the processes, which managers used where they consulted with employees, involved them in participative practices, and where there were collective arrangements.

6.12.3 The unitarist dimensions and workplace management practices

The management practices found in questions C3, C4 and C5 of the survey questionnaire cover consultative, participative and collective measures. This sub-section addresses the research questions associated with the significance of the relationship between the eleven unitarist variables and specified practices from these three questions from the survey questionnaire.

The distinction between consultation and employees' involvement or participation in decision-making was drawn in section 6.9, above. While questions C1 and C2 in the survey questionnaire focussed on the range and degree of consultation, question C3 identified a number of forms of consultation. Questions C4 and C5 looked at a range of mainly participative practices, with some references to collective workplace practices. Participative practices may include task participation such as quality circles (Marginson and Sisson 1988), representative participation in joint consultative committees (Marchington 1992) for example, or financial participation schemes (Marginson & Sisson 1988; Thornicroft 1989). Collective practices refer to representative processes such as negotiations with unions, or other forms of employee associations, and management.

The data were arranged around these three sets of practices. Considerations of the substantive references in each of the management practices canvassed in survey questions C3 to C5 drove the selection of a number of statements as independent variables for further testing using the unitarist variables as independent variables. The various practices were then computed into three variables: CONSPRAC for the consultative practices referred to in question C3, PARTPRAC for the participative practices in both questions C4 and C5, and COLLPRAC for the collective practices referred to in question C5. These reflected three further research questions:

1. Is there a significant relationship between the unitarist variables and the forms of consultation practiced in SMEs?
2. Is there a significant relationship between the unitarist variables and participative practices in SMEs?
3. Is there a significant relationship between the unitarist variables and collective practices in SMEs?

These were expressed in terms of testing the null hypotheses about the significance of the relationship of the unitarist variables with the consultative, participative, and collective practices. Taken together, these were called management practices variables.

SME managers were asked in question C3 to indicate one or more of eight forms of consultation they utilised or would utilise. In question C5 the variables were re-coded from three responses ('never used', 'for some jobs' and 'for all jobs') into two: yes/no. 'Never used' was re-coded from a value of 1 to a value of 2, and the combined category, which

included 'for some jobs' and 'for all jobs', was re-coded with a value of 1. This treatment of survey question C5 led to consistency with the coding of the responses in survey questions C3 and C4. It was not necessary to re-code survey questions C3 and C4. In survey question C5, C5.4 to C5.7 were not included because their pedigree as participative practices was less certain. Although an argument could be made for bonus systems as a form of financial participation, the conclusion was that this item was a form of remuneration rather than of participation or involvement. Items C5.8-C5.12 were discarded because three of them dealt with selection processes and two of them related to performance appraisal. Although these items indicated some specific levels of involvement of employees in selection and appraisal, they were seen as tangential to the thrust of the issue of participation.

The consultative, participative, and collective practices, which were tested, are as listed in table 6.46, together with their frequencies.

Table 6.46: Management practices variables

Management practices variables		Forms of consultation, participation and collective arrangements	Percentage of SMEs	N
CONSPRAC	C3.1	Informal discussions with those employees affected by change	94.5	197
	C3.2	Formal meetings with those employees affected by change	80.1	191
	C3.3	Discussions with an established joint consultative committee	36.3	182
	C3.4	Discussions with a specially constituted committee established to consider the particular change	39.4	180
	C3.5	Discussions with union delegates at this workplace	20.3	187
	C3.6	Discussions with full-time union officials from outside the workplace	12.8	180
PARTPRAC	C4.1	An employee involvement/participative programme	75.5	200
	C4.2	Regular work or area meetings (for example, quality circles)	74.9	203
	C4.3	A joint worker-management committee to discuss or implement workplace management change	49.8	201
	C4.4	A committee to address specific workplace management issues other than safety and health	52.0	202
	C4.5	An occupational safety and health committee	53.7	203
	C5.1R[1]	A group incentive plan	52.2	201
	C5.2R	A profit or gain-sharing plan	52.5	200
	C5.3R	An employee share ownership scheme	85.9	199
COLLPRAC	C5.13R	Negotiations and written agreements with employees	23.5	204
	C5.14R	Negotiations and written agreements with unions	75.0	200

1. 'R' refers to re-coded variables, combining 'for some jobs' and 'for all jobs' and reversing the values so that each of the statements now have a yes/no response recorded, consistent with survey questions C3 and C4.

The frequencies indicate that informal discussions (94.5 percent) and formal meetings (80.1 percent) with staff affected by changes to the organisation were common in SMEs. Other forms of consultation were not. Less than one in four SME managers had discussions with either established joint consultative committees or ad hoc committees established to consider organisational change. Only one-fifth ever has discussions with union delegates. This would indicate that if delegates are present, then discussions with them were likely to occur, since just over one-quarter of SME managers reported the presence of a workplace delegate (see table 6.5 above). There may have been a greater reticence to talk about workplace or strategic issues with full-time union officials. Over 40 percent reported full-time union officials visiting at least once a year, but only 12.8 percent of SME managers indicated that they had conducted discussions with officials from outside the workplace.

There was a broader spread of participative practices evident. The most common form of employee participation in SMEs was an employee share ownership scheme (85.9 percent), followed by the less specific designation of 'an employee/participative program. Seventy-six percent of SME managers reported such schemes in general but, apart from regular work or area meetings (74.9 percent), for which quality circles were given as an example, only around one-half reported joint worker-management committees, specific, non-OHS committees, OHS committees, group incentive plans and profit or gain-sharing plans.

Although three-quarters of SME managers reported union membership at either zero or less than 10 percent, 75 percent also reported conducting negotiations and written agreements with unions. Less than a quarter negotiated with employees outside the union framework and struck written agreements with employees.

The following sets of null hypotheses arising from the three management practice variables and the eleven unitarist variables were tested:

H_057 *SME managers' attitudes towards employee participation do not have a significant impact on SME managers' management practices,*

H_058 *SME managers' attitudes towards managerial legitimacy do not have a significant impact on SME managers' management practices,*

$H_0$59 SME managers' attitudes towards managerial responsibility do not have a significant impact on SME managers' management practices,

$H_0$60 SME managers' attitudes towards individualism do not have a significant impact on SME managers' management practices,

$H_0$61 SME managers' attitudes towards managerial control do not have a significant impact on SME managers' management practices,

$H_0$62 SME managers' attitudes towards the view that conflict is organisationally dysfunctional do not have a significant impact on SME managers' management practices,

$H_0$63 SME managers' attitudes towards the view that employee inadequacy causes conflict do not have a significant impact on SME managers' management practices,

$H_0$64 SME managers' attitudes towards collective workplace relations do not have a significant impact on SME managers' management practices,

$H_0$65 SME managers' attitudes towards the view that unions are an intrusion into the organisation do not have a significant impact on SME managers' management practices,

$H_0$66 SME managers' attitudes towards the view that trade unions ought to be avoided do not have a significant impact on SME managers' management practices,

$H_0$67 SME managers' attitudes towards the relevance of trade unions do not have a significant impact on SME managers' management practices.

Thirty-three null hypotheses were derived from the analysis of the relationship between the unitarist variables and the specific workplace management practices identified in the survey. Only in one-third of the relationships were practices significantly related to any of the unitarist variables, utilising Spearman's ρ. The findings are summarised in table 6.47.

Table 6.47: The significance of the relationship between the unitarist dimensions and management practices

Management practices variables	Unitarist variables (Spearman's ρ)										
	PARTICPN	MANLEGIT	MANRESPY	INDIVIDU	CONTROL	DYSFUNCT	INADEQCY	COLLREL	INTRUSIN	AVOIDANC	RELEVANC
CONSPRAC	-.146	-.221**	-.051	-.029	.024	-.226**	-.078	-.218**	-.070	-.175*	-.259**
PARTPRAC	-.106	-.029	-.027	.076	.076	.164*	-.005	-.031	.154*	.069	.276**
COLLPRAC	.180*	.169*	.087	.092	.043	.118	.247**	.057	.023	.066	.075

* $p \leq .05$; ** $p \leq .01$

The following 11 null hypotheses were, therefore, rejected:

$H_0 57_3$ SME managers' attitudes towards employee participation do not have a significant impact on SME managers' collective workplace practices,

$H_0 58_1$ SME managers' attitudes towards managerial legitimacy do not have a significant impact on SME managers' consultation practices,

$H_0 58_3$ SME managers' attitudes towards managerial legitimacy do not have a significant impact on SME managers' collective workplace practices,

$H_0 62_1$ SME managers' attitudes towards the view that conflict is organisationally dysfunctional do not have a significant impact on SME managers' consultation practices,

$H_0 62_2$ SME managers' attitudes towards the view that conflict is organisationally dysfunctional do not have a significant impact on SME managers' participation practices,

$H_0 63_3$ SME managers' attitudes towards the view that employee inadequacy causes conflict do not have a significant impact on SME managers' collective workplace practices,

$H_0 64_1$ SME managers' attitudes towards collective workplace relations do not have a significant impact on SME managers' consultation practices,

$H_0 65_2$ SME managers' attitudes towards the view that unions are an intrusion into the organisation do not have a significant impact on SME managers' participation practices,

$H_0 66_1$ SME managers' attitudes towards the view that unions ought to be avoided do not have a significant impact on SME managers' consultation practices,

$H_0 67_1$ SME managers' attitudes towards the relevance of trade unions do not have a significant impact on SME managers' consultation practices.

$H_0 67_2$ SME managers' attitudes towards the relevance of trade unions do not have a significant impact on SME managers' participation practices.

Of the unitarist variables, SME managers' attitudes towards managerial legitimacy, the view that conflict is organisationally dysfunctional, their attitudes towards collective workplace relations, the view that unions ought to be avoided and the relevance of trade unions were significant for their consultation practices. SME managers' attitudes towards the view that conflict is organisationally dysfunctional, the view that unions are an intrusion into the organisation and the relevance of trade unions were significant for their participation practices. While managerial attitudes towards unions and collective

workplace relations were not significant for SME managers' attitudes towards collective workplace practices, their attitudes towards employee participation, managerial legitimacy and the view that conflict is a result of employee inadequacy were.

6.12.4 Summary of the significance of the unitarist dimensions for managerial practice

The survey explored managers' attitudes towards three aspects of managerial practice. The first was the range of matters on which SME managers indicated they consulted employees (question C1). The second was the degree to which they indicated that they consulted employees on a range of issues (question C2). Third, various forms of consultation (question C3), the initiation of various practices (question C4) and the extent of other nominated practices (question C5) were re-coded and categorised into consultative practices (CONSPRAC), participative practices (PARTPRAC) and collective workplace practices (COLLPRAC)

There were, thus, three sets of tests of the significance of the relationship between the eleven unitarist variables and management practice. In the first, one test was of the significance of the unitarist variables for consultation of employees on workplace efficiency issues (CONSEFFS). The other tested the significance of the unitarist variables for consultation of employees on organisational strategy issues (CONSTRAT).

In the second set, the significance between the unitarist variables and the degree to which managers involve employees in decision-making on workplace efficiency issues (DEGEFFIC) and organisational strategy issues (DEGSTRAT) was tested. CONSEFFS, which refers to consultation on workplace efficiency matters, is distinct from the degree to which managers involved employees in workplace efficiency matters (DEGEFFIC). Likewise, there was a distinction between CONSTRAT and DEGSTRAT when dealing with the degree of involvement of employees in organisational strategy matters.

In the third set of tests of the significance in the relationship between unitarist variables and three managerial practice variables, three variables - the forms of consultation (CONSPRAC), participative practices (PARTPRAC) and collective workplace practices (COLLPRAC) - from questions C3, C4 and C5 were identified.

The percentages of significant relationships between the unitarist variables and the managerial practice variables indicate that a significant relationship between the unitarist variables and consultation on the range of items indicated by the survey (63.6 percent of the tests) is the most likely of the three sets managerial practice elements. A significant relationship between the unitarist variables and the degree of consultation on a range of items is likely for 59.1 percent of the tests and the unitarist variables are significant for the implementation of consultative, participative or collective workplace practices for only 33.3 percent of the tests.

Tests for the impact of the unitarist variables on the consultation issues indicated that SME managers' attitudes towards control of employees (CONTROL), the views that conflict is organisationally dysfunctional (DYSFUNCT), unions are an intrusion into the organisation (INTRUSIN), organisations ought to avoid unions (AVOIDANC) and towards the relevance of trade unions (RELEVANC) were not significant for consultation on efficiencies. Their attitudes towards control of employees and the relevance of trade unions were significant for neither consultation on efficiencies nor consultation on organisational strategy. Attitudes towards the view that unions are an intrusion in to the organisation (INTRUSIN) were significant only for the degree of consultation on workplace efficiency.

Six of the unitarist variables (PARTICPN, MANLEGIT, MANRESPY, INDIVIDU, INADEQCY, and COLLRELS) were significant both for the range of issues managers consulted employees and for the degree to which they consulted employees on workplace efficiency and organisational strategy. Eight of the unitarist variables were significant for consultation on organisational strategy matters (CONSTRAT) and seven for the degree to which managers involved employees in decisions related to workplace efficiency (DEGEFFIC).

The focus of the questions in C1 and C2 were on the substance of consultation, and while question C2 explored the degree to which SME managers said they consulted employees, there was no indication of the methods employed. These were found in questions C3, C4 and C5. Managers' attitudes towards managerial legitimacy (MANLEGIT), the view that conflict is organisationally dysfunctional (DYSFUNCT), collective workplace relations

(COLLRELS) and the view that unions ought to be avoided (AVOIDANC) were significant for the use of consultative practices. DYSFUNCT, the view that unions are an intrusion into the organisation (INTRUSIN) and the relevance of trade unions (RELEVANC) were the only unitarist variables significant for participative practices. Finally, managers' attitudes towards employee participation (PARTICPN), MANLEGIT, the view that conflict is caused by employee inadequacy (INADEQCY), and the relevance of trade unions (RELEVANC) were significant for collective workplace practices (COLLPRAC).

The next set of relationships to be explored is that between the unitarist variables and managers' satisfaction with employees' performance.

6.13 The unitarist variables and SME managers' satisfaction with employee performance

This sub-section deals with establishing whether there is any significance between the unitarist factors and managers' satisfaction with employee and organisational performance.

As indicated in section 6.10, factor analysis produced four satisfaction variables: SME managers' satisfaction with employee altruism (ALTRUISM), employee commitment (COMMITED), employee productivity (PRODVITY), and work effects on employees (WORKEFFS). Altruism referred to a number of statements in question D1 of the survey questionnaire, which focused on whether the manager believed employees held positive attitudes towards work and the organisation. These were characterised as conscientiousness, or assiduity. Employee commitment was a second set of managers' perspectives on general attitudes of employees towards work and the organisation, whereas employee productivity referred to more specific task-orientations, which referred to employee performance. Finally, managers' perceptions of morale and stress were measured in terms of work effects on employees. The application of the eleven unitarist variables towards these four employee satisfaction variables gave rise to the following sets of null hypotheses:

$H_{0^{68}}$ *SME managers' attitudes towards employee participation do not have a significant impact on SME managers' satisfaction with employee performance,*

H_{069} *SME managers' attitudes towards managerial legitimacy do not have a significant impact on SME managers' satisfaction with employee performance,*

H_{070} *SME managers' attitudes towards managerial responsibility do not have a significant impact on SME managers' satisfaction with employee performance,*

H_{071} *SME managers' attitudes towards individualism do not have a significant impact on SME managers' satisfaction with employee performance.*

H_{072} *SME managers' attitudes towards managerial control do not have a significant impact SME managers' satisfaction with employee performance,*

H_{073} *SME managers' attitudes towards the view that conflict is organisationally dysfunctional do not have a significant impact on SME managers' satisfaction with employee performance,*

H_{074} *SME managers' attitudes towards the view that employee inadequacy causes conflict do not have a significant impact on SME managers' satisfaction with employee performance,*

H_{075} *SME managers' attitudes towards collective workplace relations do not have a significant impact on SME managers' satisfaction with employee performance,*

H_{076} *SME managers' attitudes towards the view that unions are an intrusion into the organisation do not have a significant impact SME managers' satisfaction with employee performance,*

H_{077} *SME managers' attitudes towards the view that trade unions ought to be avoided do not have a significant impact on SME managers' satisfaction with employee performance,*

H_{078} *SME managers' attitudes towards the relevance of trade unions do not have a significant impact on SME managers' satisfaction with employee performance.*

The Spearman rank order correlation test was used to determine the measure of association between the unitarist factors and the satisfaction variables. The findings are reported in table 6.48.

Table 6.48: The impact of the unitarist dimensions on SME managers' satisfaction with employee performance

Unitarist variables	Spearman correlation (ρ) Satisfaction variables			
	ALTRUISM	COMMITED	PRODVITY	WORKEFFS
PARTICPN:	-.198**	-.091	-.102	-.091
MANLEGIT:	.007	-.137	-.018	.098
MANRESPY:	.040	.028	.027	.059
INDIVIDU:	.011	-.028	-.024	.021
CONTROLS:	.053	-.049	-.003	.020
DYSFUNCT:	.201**	.080	.122	.217**
INADEQCY:	-.020	-.127	-.068	.000
COLLRELS:	.014	-.104	.015	.030
INTRUSIN:	.110	-.031	-.015	.098
AVOIDANC:	.077	.000	.065	.055
RELEVANC:	.217**	.117	.187*	.245**

* p<.05; ** p<.01

Three of the unitarist variables (PARTICPN, DYSFUNCT and RELEVANC) were significant for ALTRUISM. DYSFUNCT had a significant relationship with ALTRUISM and WORKEFFS. RELEVANCE was significant for ALTRUISM, PRODVITY and WORKEFFS. Thus, only the following six null hypotheses were rejected:

$H_0{}^{68}{}_1$ *SME managers' attitudes towards employee participation do not have a significant impact on SME managers' satisfaction with employee altruism,*

$H_0{}^{73}{}_1$ *SME managers' attitudes towards the view that conflict is organisationally dysfunctional do not have a significant impact on their satisfaction with the workplace management effects on employees,*

$H_0{}^{73}{}_4$ *SME managers' attitudes towards the view that conflict is organisationally dysfunctional do not have a significant impact on their satisfaction with the workplace management effects on employees,*

$H_0{}^{78}{}_1$ *SME managers' attitudes towards the relevance of trade unions do not have a significant impact on their satisfaction with employee altruism,*

$H_0{}^{78}{}_3$ *SME managers' attitudes towards the relevance of trade unions do not have a significant impact on SME managers' satisfaction with productivity,* and

$H_0{}^{78}{}_4$ *SME managers' attitudes towards the relevance of trade unions do not have a significant impact on their satisfaction with the workplace management effects on employees.*

Overall, unitarist variables have little impact on SME managers' satisfaction with employees. Is there a significant relationship between management practices in the SMEs and managers' satisfaction? This issue is considered in the next sub-section.

6.14 Managerial practices and SME managers' satisfaction with employee performance

One set of relationships, explored in the previous section, is that between the unitarist variables and the satisfaction variables. A second set of relationships suggests itself, and that is between managerial practices and managers' satisfaction with employee performance. If there is little of significance between unitarist variables and satisfaction variables, is there any significance in the relationships between the between the managerial practices set out in table 6.33 and the degree of managers' satisfaction with a number of characteristics of employee performance. This question gives rise to a the following null hypotheses which were explored in this section:

H_079 *SME managers' consultation with employees on workplace efficiencies does not have a significant impact on their satisfaction with employee performance,*

H_080 *SME managers' consultation with employees on organisational strategy does not have a significant impact on their satisfaction with employee performance,*

H_081 *The degree to which SME managers' involve employees in decision-making on workplace efficiencies does not have a significant impact on their satisfaction with employee performance,*

H_082 *The degree to which SME managers' involve employees in decision-making on organisational strategy does not have a significant impact on their satisfaction with employee performance,*

H_083 *SME managers' consultative practices do not have a significant impact on their satisfaction with employee performance,*

H_084 *SME managers' participative practices do not have a significant impact on their satisfaction with employee performance,* and

H_085 *SME managers' collective practices do not have a significant impact on their satisfaction with employee performance.*

The Spearman correlation coefficients and their significance are indicated in table 6.49.

Table 6.49: Workplace management practices and SME managers' satisfaction with employee performance

Workplace management practice variables	Spearman correlation: (ρ)			
	Satisfaction variables			
	ALTRUISM	COMMITED	PRODVITY	WORKEFFS
CONSEFFS	.160*	.184*	.146*	.034
CONSTRAT	.263**	.226**	.249**	.171*
DEGEFFIC	.257**	.130	.242**	.065
DEGSTRAT	.172*	.158*	.253**	.102
CONSPRAC	1.000	.833	1.000	-.544
PARTPRAC	.081	.107	.112	-.008
COLLPRAC	-.063	-.045	-.006	.053

*p<.05; ** p<.01

The managerial practice variables connected to consultation issues (question C1) and the degree to which managers employed participative practices or not (C2), did have significant relationships with the satisfaction variables, ALTRUISM, COMMITED and PRODVITY, with the exception that DEGEFFIC did not have any significant relationship with COMMITED. In addition, CONSTRAT was significant for WORKEFFS. However, there were no significant relationships between the management practices found in survey questions C3, C4 and C5 (CONSPRAC, DEGTPRAC and COLLPRAC) and the satisfaction variables. Thus, the following 12 null hypotheses were rejected:

$H_0{}^{79}{}_1$ *SME managers' consultation with employees on workplace efficiencies does not have a significant impact on their satisfaction with employee altruism,*

$H_0{}^{79}{}_2$ *SME managers' consultation with employees on workplace efficiencies does not have a significant impact on their satisfaction with employee commitment,*

$H_0{}^{79}{}_3$ *SME managers' consultation with employees on workplace efficiencies does not have a significant impact on their satisfaction with employee productivity,*

$H_0{}^{80}{}_1$ *SME managers' consultation with employees on organisational strategy does not have a significant impact on their satisfaction with employee altruism,*

$H_0{}^{80}{}_2$ *SME managers' consultation with employees on organisational strategy does not have a significant impact on their satisfaction with employee commitment,*

$H_0{}^{80}{}_3$ *SME managers' consultation with employees on organisational strategy does not have a significant impact on their satisfaction with employee productivity,*

H_08O_4 *SME managers' consultation with employees on organisational strategy does not have a significant impact on their satisfaction with workplace effects on employees,*

H_08I_1 *The degree to which SME managers' involve employees in decision-making on workplace efficiencies does not have a significant impact on their satisfaction with employee altruism,*

H_08I_3 *The degree to which SME managers' involve employees in decision-making on workplace efficiencies does not have a significant impact on their satisfaction with employee productivity,*

H_082_1 *The degree to which SME managers' involve employees in decision-making on organisational strategy does not have a significant impact on their satisfaction with employee altruism,*

H_082_2 *The degree to which SME managers' involve employees in decision-making on organisational strategy does not have a significant impact on their satisfaction with employee commitment,* and

H_082_3 *The degree to which SME managers' involve employees in decision-making on organisational strategy does not have a significant impact on their satisfaction with employee productivity.*

6.15   Summary of the findings

The survey questionnaire produced a wealth of data on the demographics of SMEs, the characteristics of the managerial respondents, their attitudes towards a range of statements organised around the four key concepts of Fox's unitarist ideology, what SME managers consult employees about, the consultative, participative and collective practices to be found in SMEs, and managers' satisfaction with employees' performance.

When these data were analysed, factor analysis produced eleven unitarist variables. These variables are at the core of the study because they provide the proxies for discovering the ideological dimensions of SMEs managers through their attitudes towards each of the statements constituting the new variables. Factor analysis also provided two extra variables from a question, which asked the participants in the survey to consider the limitations they experience in the management of their employees. These two variables were called the limitations variables. Managerial practices were organised in the survey questionnaire around a range of consultation issues, the degree of involvement or exclusion of employees from decisions about such issues, and a range of specific management practices where the

results indicated that SMEs are characterised predominantly by informal discussion rather than formal participative structures. Finally, factor analysis of the managers' responses to a question on their satisfaction with employees' performance produced four satisfaction variables.

The identification of these variables led to the examination of a number of specific relationships between the variables suggested by the articulated research questions. Following factor analysis, the first of these involved nonparametric analysis of variation by ranks, using the Kruskal-Wallis test, exploring the impact of the organisational, personal and limitations variables on the unitarist variables. The second group of relationships examined the concept of ideology as beliefs-and-action by analysing the significance of the relationship between the unitarist variables and the managerial practice variables. The analysis of the significance of the relationships between these variables commenced with an examination of the significance of the relationship between the unitarist variables, on the one hand, and, on the other hand, the range of consultation issues and the degree to which managers involve employees in managerial decision-making.

Next, the significance of the unitarist variables for the managerial practice variables – the consultative, participative and collective workplace practices – was tested. The third analytical task involved the exploration of the significance between the unitarist variables and SME managers' satisfaction with organisational outcomes expressed in terms of employee performance. Finally, the significance of managerial practices for managers' satisfaction with employees was analysed. Each of the dimensions of the data analysis are summarised in the following sub-sections.

6.15.1 Organisational, personal and limitations variables and the unitarist dimensions

Table 6.50 sets out the summary of the analysis of the significance of the independent organisational, personal and limitations variables for the unitarist variables.

Table 6.50: The significance of organisational, personal and limitations variables for the unitarist dimensions

Independent variables	Potential number of significant relationships	Actual number of significant relationships	Percent
Organisational	55	16	29.1
Personal	55	6	10.9
Limitations	22	10	45.5

The most striking outcome of the analysis of the effect of the independent variables on the unitarist variables was the slight impact of the personal variables. The personal variables were less likely by around a half to have a significant impact than the organisational variables. They exhibited less than one-quarter of the incidence of significance than the variables constituted by the mangers' perspectives on the limitations placed on their management of employees. Nevertheless, only 16 of the 55 independent organisational variables potential relationships recorded a significant impact on the unitarist variables and more than one-third of those were on account of the impact of whether the work organisation was a family business. The limitations variables were far more likely to have a significant impact than either of the other two groups of independent variables. More than half of the significant limitations variables were the external factors.

6.15.2 Unitarist dimensions and management practice

Whether ideology as belief-and-action is constructed in terms of the Marxist notion of praxis or from a non-Marxist perspective of ideas as action, the analysis of the significance of the relationship between the unitarist variables and management actions was central to exploring the empirical foundations of the classification of managerial behaviour in terms of a unitarist ideology. The exploration of the links between unitarist ideology (through the unitarist variables as proxies) and action, as reflected in the managerial practices variables, took three paths. The first examined the impact of the unitarist variables on a range of selected issues on which managers might consult employees. The second focussed on the impact of the unitarist variables on the degree to which managers involved employees in, or excluded them from, decision-making on a range of consultation issues. The third path of the investigation as to whether a significant relationship existed between the unitarist variables and managerial practices, was to analyse the links between the unitarist variables and consultative, participative and collective practices in SMEs. The results of these tests

suggest the possibility that the concepts of ideology as praxis or beliefs-and-action largely rest on a weak to moderate empirical basis as table 6.51 indicates.

Table 6.51: The significance of the unitarist dimensions for management practice

Dependent variables	Potential number of significant relationships	Actual number of significant relationships	Percent
Range of consultation with employees	22	14	63.6
Degree to which employees are consulted	22	13	59.1
Consultative practices	11	5	45.5
Participative practices	11	3	27.3
Collective workplace practices	11	3	27.3

An examination of the significant relationships indicates that there is a much stronger link between the unitarist variables and those variables which concern consultation than there is between the unitarist variables and either the participative or collective workplace practice variables.

6.15.3 Unitarist dimensions and the satisfaction variables

The scope of the study of the unitarist ideology was extended to include managers' satisfaction with employee performance. This was done through two tests. The first considered the significance of the impact of the unitarist variables on satisfaction, and the second was of the significance of workplace practices for satisfaction. Only three variables had any significance for the satisfaction variables. They were managers' attitudes towards employee participation (for ALTRUISM), the view that conflict is organisationally dysfunctional (for ALTRUISM) and the relevance of trade unions (for ALTRUISM, PRODVITY and WORKEFFS).   There were 44 potentially significant relationships between the independent and the dependent variables. Only 13.6 percent were significant.

The overall linkage between work practices and satisfaction with employee performance was stronger, but all of the significant relationships were with the consultation variables. None of the other managerial practice variables (CONSPRAC, PARTPRAC and COLLPRAC) was significant for the satisfaction variables.   Only one of these

(CONSTRAT) was significant for all of the satisfaction variables. Twelve (42.9 percent) of the 28 null hypotheses were rejected because of a significant relationship.

The implications of these findings will be discussed in detail in chapter 7.

CHAPTER 7: DISCUSSION AND CONCLUSIONS

7.1   Introduction

The purpose of this final chapter is, first, to present the conclusions arising from the research questions, the conduct of interviews with SME managers and the analysis of the arising data. The second purpose is to discuss the contribution that the research in this thesis makes to the Industrial Relations literature on unitarism and managerial ideology.

The thesis commenced its examination of the industrial relations literature on managerial ideology with the work of Norman Ross (1958) and Alan Fox (1966a; 1966b) in which they announced the existence of a unitary frame of reference to which they said many managers subscribed. Fox (1966a) specifically referred to this unitary concept as a 'managerial ideology'. In this paper and its antecedent, the research paper for the British Royal commission on Trade Unions and Employer Associations (Fox 1966b), there are no references to any systematic study of work organisations, which led him to this analysis. On his implicit admission, his work steered a course away from empirical research to theorising geared towards reform of industrial relations. It was not until later that he adopted more systematic attempts at analysing power and power relations (Fox 1990, pp. 231-5). This led him to define ideology in terms of 'a resource in the struggle for power, since it shapes the way men perceive, think, feel, and act' (sic) (Fox 1971, p. 124).

Fox's work was influential in categorising managerial assumptions about work organisations and the management of employees to the extent that most industrial relations textbooks in Australia and the United Kingdom continue to refer to Fox's unitary framework in discussions of theoretical perspectives on industrial relations or management theories and concepts. Researchers, too, apply the unitarist construct to their analyses of managerial behaviour and there has been a consensus among some industrial relations writers that there has been a resurgence, if not a continued presence, of unitarism in public policy and in work organisations (Gunnigle 1992; Provis 1996; Bacon and Storey 2000), especially where management unilaterally determines

conditions of employment (Corby 1992) and unitarist perceptions of organisations promote familial organisational culture and deny conflict (Casey 2004).

Where Fox and others referred to a unitary ideology in general terms and were concerned with the utility of a unitarist ideology in maintaining the legitimacy of management for example, this thesis has sought to systematically apply the elements found in discussions of unitarism to a significant sample of managers and test whether the unitary concept has any validity as a construct of managerial ideology. In this final chapter, the findings are thus discussed in terms of whether or not a unitarist ideology, which might be characterised by the key attitudes of managers towards managing employees and their managerial behaviour, can be applied to managers in SMEs. In Fox's construct, the core elements of unitarism consisted of managerial attitudes towards management, conflict, collective workplace relations, and trade unions. In designing the survey questionnaire, therefore, the research was directed, first, towards the participant managers' views of, or attitudes towards, the principles they might apply to their workplace; second, whether the structures and processes in their organisations were participative and/or collective; and, third, their satisfaction with certain aspects of their workforce and their firm's performance. Thus, the overriding objective of this project was to test the unitarist construct by applying the four key dimensions of Fox's unitary frame of reference to the attitudes of managers in SMEs.

Analysis of the survey data produced eleven separate unitarist variables or dimensions (see chapter 6, section 6.7) consisting of managerial attitudes to various aspects of management, as follows:

Managerial prerogative
1. Employee participation (PARTICIP);
2. Managerial legitimacy (MANLEGIT);
3. Managerial responsibility (MANRESPY);
4. Individualisation of the employment contract (INDIVIDU);
5. Control of employees (CONTROLS);

Conflict
6. Organisational dysfunction (DYSFUNCT);
7. Employee inadequacy (INADEQCY);

Collective Workplace Relations
8. Collective workplace relations (COLLRELS);

Trade Unions
9. Union intrusion (INTRUSIN);
10. Avoidance of unions (AVOIDANC);
11. Union relevance (RELEVANC).

These eleven unitarist dimensions provide the structure around which the discussion develops, incorporating the relevant findings from the interview programme. The interviews were not included in the discussion on the contingent characteristics because of the small sample (19 SME managers).

The survey instrument examined both the range of issues about which managers might consult employees and the degree to which they might consult them on those issues (McDonald & Wiesner 2000). The range of matters on which managers might involve employees and the degree to which they consulted them referred to consultation on workplace efficiency and workplace strategy. The practices employed by managers referred to the forms of consultation, any participative practices, and collective practices.

Since some of the characteristics of unitarism imply managers might, first, have a range of attitudes towards the employees' contribution to organisational effectiveness and, second, that conflict can arise from employee inadequacies, the survey questionnaire asked managers about their satisfaction with employee performance. The analysis led to the identification of four further factors in managerial attitudes towards employees: satisfaction with employee altruism; satisfaction with employee commitment; satisfaction with employee productivity; and their views on the effects of workplace management on employees.

7.1.1 Arrangement of the chapter

This chapter will address the characteristics and contexts of SME managers' ideology (section 7.2) by summarising the significance of the relationship between three sets of

12 independent variables – the organisational characteristics of SMEs (sub-section 7.2.1 below), the personal characteristics of the respondents (sub-section 7.2.2), and the limitations respondents perceive to constrain their managerial prerogative (sub-section 7.2.3) - and the unitarist variables. The organisational variables related to SME size, the industry in which the workplace operated, managers' perceptions of the percentage of employees who were union members, managers' perceptions of union presence in the workplace, and whether the SME was a family owned business. These contingent organisational characteristics were supplemented by the personal characteristics of the respondent manager. The personal characteristics referred to the manager's qualifications, the source of managers' ideas about management, whether or not the manager was an owner and the manager's gender. A final pair of contingent variables related to limitations, which managers perceived to be affecting their management of employees. These included limitations arising within the organisation and those from external sources such as unions, awards and government legislation. Potentially, these relationships would reveal whether there were any common characteristics of managers who subscribed to a unitarist ideology rather than any deterministic relationship.

Of greater interest and significance for the industrial relations scholar, however, is the question whether there are any significant relationships between unitarist variables and workplace management practices, because the definition of ideology used in this thesis integrates both managers' assumptions (in terms of values and beliefs) and managerial practice as discussed in chapter 2 (sub-sections 2.7.3, 2.7.4, 2.7.7 and 2.8). The analysis thus tested the relationship between the unitarist variables and the forms of consultation practised, any participative practices, and collective practices. This is reported in section 7.3, which discusses the relationships between the unitarist views and the forms of consultation practiced in SMEs (sub-section 7.3.1), participative practices (7.3.2), and collective practices (7.3.3). The conclusions from the analysis of the significance of the unitarist dimensions for managerial behaviour are presented in sub-section 7.3.4. The final question addressed the impact of both the unitarist dimensions and managerial practices on SME managers' satisfaction with employee and organisational performance. This is set out in section 7.4. Finally the conclusions and contributions to the literature on unitarist ideology are presented in section 7.5

The scope of the research was limited to managers in Australian small and medium sized enterprises in the eastern mainland states. First, SME managers were selected because there has been little research in industrial relations on smaller businesses in Australia, although that interest grew during the 1990s. Second, there is a pragmatic reason. This thesis falls into a series of projects on employee management and organisational change in SMEs, which the author co-directs. Third, there are some assumptions that small businesses and SMEs are characterised by unitarist practices. The question of whether or not this is so is a matter for conjecture. Swain (1997), for example, challenges this view. SMEs thus provide a fertile foundation for a study exploring the nature of a much-used concept, which has little systematic empirical foundation, although it has been applied to empirical studies of managers, work organisations and public policy as an *a priori* construct.

7.2   The characteristics and contexts of SME managers' ideology

The means reported throughout chapter 6 indicate that none of the unitarist dimensions has strong opposition or support, with moderate support existing only for managers' attitudes towards managerial responsibility and the view that unions are an intrusion into the organisation. Weak support characterises SME managers' attitudes towards employee inadequacy as a cause of conflict, collective workplace relations and the question of the relevance of trade unions. There is weak opposition to the managerial responsibility dimension, the view that organisational dysfunction leads to conflict and about avoiding trade unions. Where there is no significant statistical impact on a unitarist variable the strength of support or opposition is irrelevant.

Table 7.1: The strength of SME managers' attitudes towards the unitarist dimensions and the organisational variables having significance for the unitarist dimensions

Unitarist variable	$\overline{X}$	Strength of support or opposition for unitarist dimension	Organisational variable has significance
Attitudes towards management prerogative			
PARTICPN	3.8451	N/A	**No significance**
MANLEGIT	3.1334	Weak opposition	SIZE INDUSTRY FAMLYBUS
MANRESPY	2.3703	Moderate support	INDUSTRY
INDIVIDU	2.9950	N/A	**No significance**
CONTROLS	2.5437	N/A	**No significance**
Attitudes towards conflict			
DYSFUNCT	3.1422	Weak opposition	SIZE INDUSTRY UNIONISN FAMLYBUS
INADEQCY	2.6256	Weak support	FAMLYBUS
Attitudes towards collective workplace relations			
COLLRELS	2.9061	Weak support	SIZE
Attitudes towards trade unions			
INTRUSIN	2.4754	Moderate support	FAMLYBUS
AVOIDANC	3.3892	Weak opposition	FAMLYBUS
RELEVANC	2.7542	Weak support	SIZE UNIONISN UPRESENC FAMLYBUS

When managers talked about managerial prerogative in the interview programme, their combined responses were in quite different terms from the results of factor analysis of the survey data. The question in the interview schedule asked of managers about managerial prerogative was, 'Tell me what you think about the scope of your right to manage. How far can other people encroach on the right to manage?' As indicated in chapter 5, managers tended to speak about their 'philosophy' of management in operational rather than in abstract terms when dealing with open ended questions about management. The basis of managerial prerogative in the survey rested on the inherent nature of the management position, the strategic roles of managers, managers' expertise, managers' knowledge, leadership, and the ability to convince others. Two managers

referred to managerial prerogative in terms of the organisational objectives of company survival and obtaining returns on capital.

SME managers moderately supported the unitarist dimension of managerial responsibility in response to the survey questionnaire. Of the 12 managers in the interview programme who commented on the responsibility of managers, eight regarded profit as a major responsibility, only three regarded the employers' and shareholders' interests and three altruistically regarded the provision of employment for their employees as primary responsibilities.

There was a closer link between attitudes towards individualism and the question in the interview program about individual contracts. The interview question had two components. The first sought the managers' response to individual contracts such as Australian Workplace Agreements (AWAs). The second went to the issue of the impact of individual contracts such as AWAs on employee commitment and performance. The most common concern raised was the impact of individual contracts on pay equity with five of the participants raising this as an issue. Eleven of the 19 interviewees (57.9 percent) were positive about individual contracts. This result was not significantly different from the predominantly neutral perspectives expressed in the survey (the mean for the individualisation of the employment contract was 2.9950).

The survey results suggested that SME managers were equivocal about the employee participation dimension and there was no organisational variable significant for managers' attitudes towards involving employees in decision-making. Low-level participation was the main option when managers did include employees in the decision making process. When asked to what degree employees can or should be involved in business decisions, the managers in the interview programme talked either of consultation in non-specific terms or about the provision of information and feedback from employees. This applied to eleven of the 19 managers (58 percent). Any employee participation was, nevertheless, limited in substance or restricted to managerial and supervisory staff, leading eight managers (42 percent) to exclude other employees altogether from decision-making. The overall effect was to sustain, rather than dilute,

managerial prerogative. Consultative committees were reported in only two of the SMEs in the interview program compared with 36 and 39 percent for established joint consultative committees and ad hoc committees respectively.. The results of the interview programme reflected the low level support for employee participation reflected in the survey. There is a suggestion of ambivalence or pragmatism in managers' attitudes towards participation, rather than commitment to a principle of management, captured in the following statement:

> Basically I try to be participatory [but] that has weakened. I find it hard to be participatory in harder times than it is in easier times, so that's what I would say. I'm the decision maker so I often make decisions by myself (interview 2, manager, a printing firm).

The primary concern of managers, illustrated here, is to exercise control over, or in, the organisation, so that where altruistic notions of participation – which are consonant with running an organisation in a democratic society – are acknowledged, they have a subordinate ranking in managers' priorities to managerial prerogative.

The first of the specific research questions following from the general question, whether managers in SMEs exhibit the characteristics of a unitarist ideology in managing employees, related to the impact of organisational contexts and personal characteristics on the unitarist variables. Implicit in notions such as managerial prerogative and in managers' attitudes towards conflict, collective workplace relations and trade unions – the four key aspects of unitarism analysed in this thesis – is the role of contingency in managers' adherence to a particular ideology. This is a significant question because, as was discussed in chapter 2, section 2.7, the adoption of a definition of ideology that refers both to managerial behaviour as well as values and assumptions precludes a contingent approach to the study of managers.

Contingency theories postulate in positivist terms, the determinist, or normative, linkages between environmental contexts or organisational characteristics, such as size, and the behaviour of managers in organisations and other characteristics of organisations. According to Dunphy and Stace (1992, p. 41), for example, strategic 'fit' involves 'tight internal links' between business strategies and organisational structure, managerial process, organisational culture, change programs and human resource

management. The confounding of contingency and fit derives from the normative and deterministic characteristics of the model. Stace (1996, p. 554) denied there was any contextual determinism, and argued that so-called 'ideologies of change' must refer 'to the conditions in the environment'. The normative significance for Stace was, first, that 'effective companies stretch and influence their boundaries'. The implication of this is that organisations can impact on their contexts. His second implication was that organisations also respond to external impacts.

Advocates of contingency theory are not always consistent in their application of contingency concepts. Although contingency refers to situational factors and the context within which organisations operate, Donaldson (2000, p. 388) stretches Stace's prescription for companies dealing with their environment by referring to an organization changing 'its strategy, technology, or other contingency' leading to the improbable implication that organisations can change their contexts, taking the notion of 'fit' beyond that of adaptation.

Child (1972) developed a strategic choice theory, which focussed on the role of leaders in organisations in actively influencing the structure and behaviour of their organisations. Superficially it might seem that his argument that managers deal both proactively and reactively with contextual factors such as size, technology and ownership in an organisationally political manner (Child 1997, pp. 43-6) differs little from the advocates of 'fit'. There is a profound distinction, however. Donaldson's logical slip could not have occurred to Child, for the recognition of strategic process as the exercise of political power involves the manager in the application of ideological beliefs and values to the problematics of management, including those of dealing with situational contingencies and managing employees.

While following Child (1997, p. 45) in rejecting the essentially positivist thrust of contingency, the significance of any contingent characteristics of the organisation and of the personal characteristics of the participants in the survey was tested to establish whether those characteristics accompanied managers' adherence to the eleven unitarist dimensions. These characteristics were divided between organisational and personal

variables. A third set of variables, which are implicit in the notion of strategy and contingency, was also identified in the study. These were SME managers' perceptions of the limitations on the exercise of their managerial prerogative.

In the next subsection, the impact of organisational variables – SME size, industry unionisation and union presence, and whether or not the SME was a family business – on management attitudes towards each of the unitarist dimensions will be discussed.

7.2.1 Organisational characteristics and managers' attitudes towards the unitarist dimensions

The first set of questions flowing from the principal research question relates to the contextual variables and whether these had a significant impact on the unitarist dimensions. This study finds that size had limited influence on managerial attitudes in SMEs. A significant relationship between size and the unitarist variables existed only for four of the eleven unitarist dimensions: managers' attitudes towards managerial legitimacy, the perception that conflict is organisationally dysfunctional, collective workplace relations, and the relevance of trade unions. Industry sector is significant only for SME managers' attitudes towards managerial legitimacy, managerial responsibility, and the perception that conflict is organisationally dysfunctional. The data revealed that industry sector for SMEs was slightly more reliable as an indicator for managers subscribing to a unitarist perspectives than size, but significant for only slightly more of the unitarist perspectives. Managers' estimates of the level of unionisation were significant only for the perception that conflict is organisationally dysfunctional and questions about the relevance of trade unions. Union presence was significant only for perspectives held by managers on the relevance of unions, but there was only weak support for the unitarist perspectives overall on the relevance of trade unions. The question whether the SME was a family business was the most significant organisational variable for unitarist attitudes. This organisational characteristic had a significant impact on six of the unitarist dimensions: managerial legitimacy, the perception that conflict is organisationally dysfunctional, the view that employee inadequacy causes conflict, the view that unions are an intrusion into the organisation,

the view that unions ought to be avoided and that unions are relevant. These findings are summarised in table 7.1.

7.2.2 Personal characteristics and managers' attitudes towards the unitarist variables

The personal variables impacted on fewer of the unitarist variables than did the organisational variables. Of these, the most significant was the SME manager's educational qualifications. Management qualifications impacted significantly on managers' attitudes towards the legitimacy of management, the view that conflict is dysfunctional, and conflict as an outcome of employee inadequacy. The source of managers' ideas had a significant relationship only with the view that conflict is an outcome of employee inadequacy. Age was the sole personal characteristic that was significant for managers' view that conflict is dysfunctional. Gender was significant only for managerial views on collective workplace relations. These findings are summarised in table 7.2.

It was surprising that the personal feature - whether the manager was an owner of the business - was not significant for any of the unitarist dimensions. This was not reflected by the organisational characteristic of the SME as a family business, which was significant for six of the unitarist dimensions.

Table 7.2: The strength of attitudes towards the unitarist dimensions and the personal variables having significance for the unitarist dimensions

Unitarist variable	$\overline{X}$	Strength of support or opposition for unitarist dimension	Personal variable has significance
Attitudes towards management prerogative			
PARTICPN	3.8451	N/A	**No significance**
MANLEGIT	3.1334	Weak opposition	MANQUALS
MANRESPY	2.3703	N/A	**No significance**
INDIVIDU	2.9950	N/A	**No significance**
CONTROLS	2.5437	N/A	**No significance**
Attitudes towards conflict			
DYSFUNCT	3.1422	Weak opposition	MANQUALS AGE
INADEQCY	2.6256	Weak support	MANQUALS MANIDEAS
Attitudes towards collective workplace relations			
COLLRELS	2.9061	Weak support	GENDER
Attitudes towards trade unions			
INTRUSIN	2.4754	N/A	**No significance**
AVOIDANC	3.3892	N/A	**No significance**
RELEVANC	2.7542	N/A	**No significance**

Surprisingly, there is little significance of the personal characteristics for the unitarist ideology revealed by the survey results. Where there is significance the mean indicates that the SME managers are equivocal about the specific unitarist dimensions. There was no exploration of demographic and organisational characteristics in the interview programme.

The next sub-section deals with the impacts of managers' perceptions of the limitations on their managerial role.

7.2.3 Managers' perceptions on the limitations to their roles and their attitudes towards the unitarist dimensions

Both the externally and internally perceived limitations impacted significantly on managerial legitimacy, collective workplace relations and unions regarded as an intrusion. Only the internal limitations were seen to impact on management control. External limitations drive managers' responses to employee participation,

individualisation of work relations and the view that conflict is caused by the inadequacy of employees in a addition to the common relationships (table 6.43).

7.2.4 Conclusion: contingency and the unitarist dimensions

The most significant relationships between the contingent variables and managers' unitarist attitudes are whether the business is owned by a family and the managers' perceptions that they are limited by external factors. These two variables have a significant impact on just over one-half of the unitarist dimensions. Both variables have an impact on managers' views on managerial legitimacy, their view on whether conflict is caused by employee inadequacy and the view that unions are an intrusion in the organisation. SME size, the managers' qualifications and managers' perceptions on the internal organisational limitations on their role each have a significant impact on just over one-third of the unitarist variables. The two common unitarist dimensions upon which these three independent variables have a significant relationship are managerial legitimacy and the view that conflict is organisationally dysfunctional.

This analysis suggests that organisational characteristics of work organisations, such as size, are not particularly significant for SME managerial attitudes towards managing employees. In each of the unitarist dimensions where size was significant, there was either weak support or weak rejection of the unitarist perspective. This was also true for the SME's industry, whether the SME was a family business, and the manager's perceptions of a union presence. Where the manager's perception of union density was significant for the perspective that unions are an intrusion into the organisation, managers in aggregate subscribed to those views moderately.

While further research should test these conclusions about the impact of organisational and personal characteristics on managerial perspectives, managers appear to bring perceptions to the role of managing employees and the organisation rather than have them shaped by organisational characteristics.

7.3   SME managers: unitarist ideology and managerial practice

There were three sets of research questions dealing with whether or not there was a significant relationship between unitarist perspectives and management practice. These explored the significance of relationships between the unitarist views and the forms of consultation practiced in SMEs (sub-section 7.3.1), participative practices (7.3.2), and collective practices (7.3.3).

7.3.1   Unitarist attitudes and consultation

The breadth of the unitarist variables significant for whether managers consult employees on efficiencies and organisational strategy suggests that the link between adherence to unitarist attitudes and consultation practices is stronger than for any of the other dimensions of unitarism in this study. This is confirmed by the results testing for significance in the relationship between views on unitarist attitudes and the degree of consultation. The mean for consultation on efficiency issues was 1.9239, indicating that managers might waver between widespread employee involvement in decisions and employee consultation with possible limited involvement in goal setting with a propensity for the lower degree of participation. The mean for consultation on strategic items (2.7861) leaned towards managerial authority and direction being the main form of decision-making, that is, the exercise of managerial prerogative rather than even limited involvement. These results suggest that employee participation is not a strong suit in managerial preferences and point to a unitarist leaning among SME managers in the sample generally.

Six of the unitarist dimensions were significant for consultation on both efficiency and strategic issues as well as for the degree to which they consulted on efficiency and strategic issues. Managers' attitudes towards conflict being organisationally dysfunctional and towards the proposition that unions should be avoided were, in addition, significant for consultation on organisational strategy, but not for the degree to which managers might be consultative. The view that unions were an intrusion in the workplace was also significant for the degree of consultation on efficiency. There is no significant relationship on the extent and degree of consultation for either views on

control over employees or for the issue of the relevance of trade unions. The interview programme also indicated a unitarist orientation towards consultative processes. The manager of a steel fabrication plant admitted the limitations on consultation in his firm: 'I think we have restricted ourselves to consultation to the nice things.' He explained this in terms of using a consultative committee set up under an enterprise bargaining agreement to arrange the Christmas party (Interview 12).

Consultation is a term widely used in relations between managers and employees and unions, but it can mask low levels of employee involvement such as information gathering rather than employee participation in making decisions. This was starkly illustrated in the terms of a manager in a spectacle lens manufacturing company who described the process in terms of 'approach[ing] them [employees] for their ideas [if] we've got something in mind or a change in mind and [we] look for their input on the viability or feasibility of those changes' (Interview 4). The owner-manager of a garment manufacturing company gave a specific example of this, where she consulted employees on technical matters 'because the employees actually operate the machinery or the computers. They are totally involved in the decision of what to buy …' (Interview 1). This limited approach was reflected in the example of setting up a new workshop in a metals fabrication plant where there was consultation about machinery and machinery location but not on the decision to design and build the new building (Interview 9).

The perspective evident on consultation, when managers spoke of it, was of it as a process, which *supported* management decision-making, leading an abattoir manager to confuse a consultative committee with a management committee (Interview 7), as did the manager in an electronics firm (Interview 19). Canvassing employees in support of management decision-making seemed to be an element of most of the interviewed managers' responses to the issue of consultation. Another example was of the manager in steel fabrication who held 'regular meetings with all our employees and I bring up what our intentions are and if anybody would come up with good success, then certainly we would listen to it' (Interview 11). The lowest level of consultation consisted of explanations in a furniture factory about what employees needed to do in their work and of the reasons in order to avoid problems or resistance (Interview 6).

With the emphasis on supporting the managerial function through consultation, power very much remains in the hands of the managers and is little shared. Describing how a consultative committee worked, the furniture factory manager admitted, 'we try [to] manoeuvre and advise, to steer the boat towards so that everyone's happy and the production is the best that's necessary' (sic) (Interview 6). One manager took consultation further, setting up 'operators' meetings where the operators meet themselves without management present to talk about issues', but the reporting back procedure suggested a view consistent with management support rather than devolution of decision-making power (Interview 3).

Consultation represents a low-end form of involving employees in decision-making and there are degrees of consultation, as suggested. These might range from merely providing employees with information to collecting employee input for managerial decision-making. From a managerial perspective, employees who provide technical and operational perspectives, which might be taken into account in the decision-making process or, more likely, in the implementation phase of decision-making, provide support, technical or otherwise, to management decision-making. The managerial support function in consulting employees is also apparent from the proportion of managers who were more likely to consult on matters of efficiency than on strategic issues. The predominant mode of consultation, revealed in the survey and evident in the accounts of the managers interviewed, is characterised by informality, except where consultative committees were established under enterprise agreements. Often, the consultative committee was only one forum for managers getting in touch with employees' views or transmitting information. The survey indicated that most of the characteristics of a unitarist approach to managing employees were significant for consultation.

Managerial prerogative remains intact when consultation with employees is limited in the extent and the degree to which managers seek input from employees, and usually remains a process initiated and controlled by the manager. The evidence pointing to managers using consultative processes to support their role rather than to extend employee involvement in decision-making was reinforced by the greater strength of

support for consultation on efficiency-related factors rather than strategic factors. In dealing with strategic issues concerning the organisation, managers make decisions, which set the scene for operational decisions. This 'first order' level of decision-making is at the centre of the realm of managerial prerogative. In any case, while the interview programme revealed in some organisations the involvement of middle managers down to first line supervisors in decision-making, shopfloor workers and other employees below supervisory levels tended to be excluded from decision-making. The findings indicate that in employee consultation managers determine to maintain power in the hierarchy of decision-making, and seek to sustain their domination of the workforce.

Was the link between unitarist views and management consultation evident when looking at participative practices? This is addressed in the next sub-section.

7.3.2 Unitarist attitudes and employee participation

Employee participation has been defined in terms varying from 'the individual worker's personal control over his or her immediate work tasks, to more significant examples of direct participation in the management of the enterprise' (Sutcliffe & Callus 1994, p. 208) or in rather more diffuse terms of 'employee influence' where employees have 'the opportunity to have a genuine say and influence on decision making' (DEIR 1986, cited in Davis & Lansbury 1996, p. 2). Involvement, or participation, in decision-making suggests a more active role in decision-making than consultation where employees' views might at best merely be sought on technical or operational matters as an information resource to support the managerial function of decision-making. Nevertheless, employee participation is often constrained in employee involvement schemes where there is information sharing with small groups and individuals (consultation). But, they are excluded from high-level decision-making and the central purpose is employee motivation and commitment to organisational objectives (Marchington and Wilkinson 2000, p. 340). The distinction between consultation and participation is blurred where employees are in any case excluded from the making of a decision. Managers in the interview programme conflated consultation and participation.

The survey identified five common aspects of participation and its antithesis: two participative modes and three forms of exclusion. In no case of five forms of participation did more than half of the managers use the practice. Three of these practices were a group incentive plan, a profit-sharing scheme, and an employee share ownership scheme. None of these is specifically directed towards decision-making. Non-managerial employees below leading hand/supervisory level having input into selection decisions, and peer appraisal for non-managerial employees below leading hand/supervisory level were two others. Only one of these was directly related to the process of decision-making and peer appraisal could easily be subordinated to final decisions made by managers.

SME managers in the survey strongly supported propositions that effective managers involve employees in key decisions affecting the organisation and that empowering employees will improve the company's performance. However, when it came to the impact of such views on managerial practice, the significance of the relationship between the unitarist variables and participative practices was slight with views that conflict is organisationally dysfunctional and on the relevance of unions and their intrusive characteristic being the only three variables with significance for managers' views on employee participation. Furthermore, as indicated above, involvement tends towards being limited to lower level participance, characterised by support for decisions made by managers. The pragmatism about employee participation in managerial decision-making, suggested in sub-section 7.2.1, was about limiting who would participate and in what issues they would be involved. For example, a SME manager in the metals industry described a limited involvement of employees in the decision to purchase new equipment (Interview 14). At the same time, he described a vertically structured consultative process with the line drawn against involving operators in the decision: 'I'll ask the operator his views but I won't involve him in the decision-making.'

In this scenario, involvement in decision-making is limited to the hierarchy of managers and immediate supervisors. A similar line was drawn in a metals manufacturing concern, where the manager relied on the designers and tradesmen in the office in a

decision on purchasing a laser-cutting machine, but not the workshop employees (Interview 17). Reflecting on the influence of external contexts on management style, the manager of a tile-retailing firm said as much: 'profitability has a lot more impact on your management style than maybe one would think…. I know it's had a big impact on mine. The lack of profitability has made me much more focused on expenditure.' When asked whether involvement was a matter of principle or a practical matter, he replied, 'Oh, it's a practical matter… (Interview 13). Frequently, when managers talked about involvement they were referring to managerial committees, or management groups, and supervisory levels. In few cases were consultative committees evident. When there were, they were established under collective enterprise agreements.

Not only did managers restrict who would participate in a decision, they also commonly restricted the decisions in which employees might be involved. Thus the manager of a printing firm talked of the need to refer to the consultative committee any proposal to change shiftwork arrangements, but in 'major' decisions the there would be no involvement of employees below supervisory level (Interview 2). Likewise, a metals manufacturer excluded workshop employees from a decision on purchasing equipment, but they were actively involved in setting up a quality assurance (QA) programme because the manager felt that 'With something like the QA system that the boys on the workshop floor are going to be involved with every day it was important for them to have some sort of input into it' (Interview 17). The rationale was effectiveness, reflecting the greater propensity for managers in the survey to approve of consultation on efficiency rather than on strategic issues.

Even so, where a manager feels some inclination to involve employees, the managerial imperative will rule the extent to which employees are involved (Interview 2). Likewise, managers might adopt an instrumental approach to employee involvement and limit employees' contributions to obtaining feedback on technical issues, for example (Interview 3), but this can arise from employee initiative (Interview 16). Each perspective, however, is consistent with a managerialist constraint on consultation and participation to support management roles in decision-making. The manager's role is to balance employee and organisational inputs (Interview 3), but in that case a management

committee made major decisions, limiting consultation or involvement, which was expressed in terms of submissions from lower levels of management in 'almost in an off-the-cuff sort of fashion'. In this way, any input from employees was both supportive of, and subordinated to, the managerial role. The supportive function is reflected where managers made any approach to employees for input, often on an ad hoc basis, for operational (Interview 8) or instrumental reasons rather than any commitment to participatory principles (Interviews 4, 7, 8) and often at the implementation phase of a change in machinery and equipment or other decision (Interviews 1, 2, 3, 15, 19), facilities and buildings (Interviews 7, 9, 18) and organisation of the workplace. With change leading to redundancy (Interview 5) or new organisational structures (Interview 12), any subordinate participation and consultation is a matter of timing and experience of difficulties might lead managers to abandon any consultative or participative practices at all (Interview 5). In every case, managers in the interview programme made the key decisions even where there was an indication of wide consultation on major changes (Interview 19). In one case (Interview 20) consultation was discussed only in terms of upward referral to the Board and management consideration, rather than involvement of non-management employees.

The distinction between employee participation and collective practices was more clearly apparent, whereas the distinction between consulting employees and employee participation was blurred because involvement of employees in any significant decision-making at all was limited. This was true even where some forms of participation, such as consultative committees, were evident. The notions of consultation and participation providing support for management decision-making preserves managerial prerogative consistent with a unitarist perspective on the role of management.

In the next sub-section, the third set of the relationships arising from the broad research question between the unitarist characteristics and collective workplace practices is considered.

7.3.3 Unitarist attitudes and collective workplace practices

In section C of the survey questionnaire, the focus of each set of questions was on management practices. Collective workplace practices refer to those processes in which management and workers' representatives or bodies comprised of staff elected representatives deal with organisational matters and make joint decisions. It is distinguished from employee participation and consultation in that negotiation is the key process of joint decision-making, which is designed to reach mutually acceptable outcomes in all the circumstances, whether this concerns strategic or operational issues, or the employer-employee relationship.

Statements in the survey questionnaire referring to collective workplace practices were spread between each of the questions. Table 7.3 lists the questions specifically dealing with collective arrangements:

Table 7.3: Percentage of SME managers using collective practices

Question No.	Consultative Practice	Percent
C3.3	Discussions with an established joint consultative committee	36.3
C3.4	Discussions with a specially constituted committee established to consider the particular change	39.4
C3.5	Discussions with union delegates at this specific workplace	20.3
C3.6	Discussions with full-time union officials from outside the workplace	12.8
C4.3	A joint worker-management committee to discuss or implement workplace change	49.8
C4.4	A committee to address specific workplace issues other than safety and health	52.0
C5.27	Negotiations and written agreements with employees	76.5
C5.28	Negotiations and written agreements with unions	25.0

The proportion of SME managers employing collective practices in the workplace was quite low when they involved dealing with trade unions, whether through union delegates or union officials. This is not surprising, since just over 88 percent of managers believed that half or less of their workforce were union members. Only a quarter of SME managers reported the presence of a union delegate; 41.5 percent had visits from a union official at least once a year; and a little more than a quarter said that union members raised issues from a union perspective. Of itself, the willingness to negotiate wages and conditions with employees appears to indicate that SME managers might be prepared to engage in collective relations with their workforce so long as a

union was not involved. However, the wording could have been interpreted by SME managers as applying not to a collective but to individual workers. A unitarist perspective would indicate subordination of collectivism to managerial imperatives according to the degree of control maintained by the manager.

The results for various aspects of dealing with committees, as indicated in table 7.3, might indicate that between one-half and a third of managers were prepared to engage with collective bodies. This is not inconsistent with the finding that just over 71 percent of SME managers use both formal and informal methods of discussing changes with employees. However, working through committees might not be indicative of collective relations. While one-half of the respondents claimed to work through a joint worker-management committee to discuss or implement workplace change there is no clear indication available from the data that this was an inherently collective *decision-making* process. The results for other types of committees, which would accompany a collective approach to management, were significantly lower than for this type of committee. The responses of some managers in the interview programme indicated that their perspective of consultative bodies included managerial committees and sometimes this was the only level of consultation.

Perspectives on employee participation, managerial legitimacy and the inadequacy of employees as a cause of conflict were the only unitarist dimensions of significance for collective workplace practices in SMEs. The only collective practices referred to in that test were negotiations with either employees or unions (questions C5.27 and C5.28; see table 7.3 above) but there was only lukewarm support for unitarist perspectives on collective workplace relations expressed in responses to the survey questionnaire.

Collective arrangements were addressed more generally in the interview programme than they were in the survey. These were distinct from questions dealing with unions. The interviews addressed negotiation in terms of adversarialism, its necessity and individual contracts. Unitarist perspectives were evident, for example, in ascribing adversarialism, which was seen in negative terms, to the ignorance of union officials. The SME managers who were interviewed generally found negotiation problematic. It

was a process which most agreed was 'a necessary evil'. For some, the legal technicalities and formalities in the certified agreement process created problems for employees and managers alike. While open commitment to negotiation was rare, a minority indicated a preference for individualised approaches. The results suggest that further research managerial prerogative and managers' attitudes towards negotiation is required. Negotiation is a form of joint decision-making as well as a process of reaching agreement and problem solving. As such, managers who lean towards a unitarist perspective on the employment relationship and the work organisation would find the process irksome not only from an operational perspective (for example, that negotiation is inconvenient and time consuming), but also from the perspective that bargaining undermines managerial prerogative, something Australian managers have been reluctant to allow (Markey & Reglar 1997, cited in Gollan & Hamburger 2003, p. 46).

The general research question was whether the concept of ideology as beliefs-and-action was reflected in the relationship between the unitarist dimensions and management practice. The conclusions from this part of the study are summarised in the next sub-section.

7.3.4   Conclusions: unitarist ideology and managerial practice

Employee participation could be a proxy for a pluralist rather than a unitarist perspective on the management of employees, where employees make decisions that are traditionally within the scope of management. It is more strongly inclusive than consultative processes. However, the results suggest that consultative and participative practices adopted by SME managers characteristically constitute lower levels of employee involvement, and can accompany a unitarist ideology through the subordination of involvement to supporting managerial decision-making and the maintenance of existing decision-making hierarchies. When participation and consultation are limited principally to supporting the managerial function, managers retain rather than share decision-making power, upholding managerial prerogative and excluding employees.

The examples raised by the SME managers interviewed indicated the limited scope of either consultation or employee participation. Where managers continued to retain managerial prerogative in decisions, employees' roles were limited to the mere provision of information, in particular by providing technical and operational input, which might be taken into account in the decision-making process, but which might have limited influence in the implementation of decisions taken. Managers also commonly restricted the decisions in which employees might have any involvement. The survey revealed the protection of managerial prerogative through limitations on the extent and the degree to which managers seek input from employees. In practical terms, illustrated in the interviews with SME managers, this often meant the exclusion of any employees not in the managerial and supervisory hierarchy. In all cases, managers continued to make the final decision. The ideology underpinning participation and consultation thus, in Thompson's (1984) terms, sustains managerial dominance through the protection of managers' prerogative rather than extending employee decision-making power.

The low proportion of SME managers employing collective practices in the workplace reinforced these unitarist characteristics especially when they involved dealing with union delegates or union officials. Where managers indicated they were willing to negotiate wages and conditions with employees, it appears there was, in this context, an ambiguity as to whether this constituted a collective scenario because such willingness was related to whether or not a union was involved. Likewise, the reported presence of joint worker-management committees to discuss or implement workplace change did not necessarily indicate that a collective process was present in the workplace for two reasons. The first was that there was no consistency in the findings between committees dealing with change and other committees. The second, as already indicated, was that some managers in the interview programme appeared to think the establishment of middle managerial committees de facto constituted employee consultation. Consistent with a unitarist ideology, SME managers found negotiation generally, but not universally, difficult and most managers were resigned to the 'necessary evil' suggested in both the survey and the interviews. There was little open commitment to negotiation, with some openly preferring individualised approaches.

The propensity of managers to consult employees on efficiency rather than on strategy when they did consult was revealed in the survey data. This was consistent with protecting managerial prerogative. Nevertheless, SME managers in the survey strongly subscribed to statements advocating employee participation and empowering employees in order to improve the company's performance. However, when it came to the impact of such views on managerial practice, the significance of the relationship between the unitarist variables and participative practices was slight. This suggests that the researcher needs to be careful in interpreting what principles managers say they subscribe to. It also reflects the observation that managers' actions (and what they say their basic values and beliefs might be) might not reflect their ideological assumptions. Does this support the observations made by others about managers' having a 'ragbag of assorted notions' (Fox 1971, p. 124), being expedient (Anthony 1977), holding inconsistent ideas about management (Nichols 1969), diffuseness of principles (Boudon 1989), and merely being pragmatic?

There are two observations that emerge from this research about the inconsistency between uttered principles, or attitudes towards the unitarist dimensions, and managerial practice. First, managers' perspectives are limited by their role and their power relationships. The interview programme suggested that, where managers referred to participation and involvement, they often meant committees consisting of middle managers and supervisors, excluding shopfloor workers and other workers without supervisory roles. Second, it is clear that managers predominantly adopt practices, which otherwise might indicate a pluralist perspective on managing employees, that maintain the power relationships inherent in organisational structures.

If managers' practices indicated a general unitarist ideology, was this reflected in the data on the relationship between the eleven unitarist dimensions and their practices? This part of the study focussed on consultative, participative and collective practices. The unitarist dimensions' most significant relationships were with consultation, which has the least impact on managerial prerogative of these three sets of practices. Conversely, employee participation, which would involve some diminution of managerial prerogative and control, was less common and only in a single case among

the SME managers interviewed was significant decision-making made by non-managers. Only three of the unitarist variables had a significant impact on participative practices. For collective workplace practices in SMEs, perspectives on the unitarist dimensions of employee participation, managerial legitimacy and the inadequacy of employees as a cause of conflict were the only unitarist variables of significance for workplace practices. While managers could adopt or reject various consultative, participative and collective practices, it is clear that the action-related values and beliefs of managers (Thompson 1984), reflect overall a unitarist-oriented aversion to practices that undermine management domination.

Another possibility is that managers might employ a mix of pluralist and unitarist strategies in managing employees as Wright (1995), Guest and Hogue (1996) and Danford (1997) suggest. A superficial application of the concept of ideology could lead to a conclusion that managers apply a pragmatic mix of strategies to the management of employees. However, in the responses to a broad range of statements covering the four principal sets of attitudes in Fox's framework (the unitarist dimensions), a typology of unitarist practice was apparent.

When the links between the apparent assumptions managers bring to the employment relationship and managerial behaviour are examined, the data analysis provides no clear and consistent, across-the-board application of principles that clearly support the notion of ideology as beliefs-and-action other than in SME managers' attitudes towards managerial prerogative.

Ascertaining managerial assumptions or attitudes in order to classify managers' ideology is difficult because managers might say one thing and behave entirely differently or inconsistently. Thus SME managers in the survey acknowledged the contribution that employees might make to the work organisation when they are involved in decision-making. Yet, the evidence from this research suggests that SME managers hang onto managerial prerogative. They tend to employ low-level stratagems in consultation or participation rather than bringing employees into the actual process of making decisions. Where inclusive practices are adopted, managers use them to support that prerogative rather

than modify it in any way. Sometimes, the adoption of such practices represents a pragmatic adaptation to the modifying influence of unions and collective bargaining as Kochan et al. (1994) suggest. Thus, in SMEs in this research project, managers are most likely to limit the involvement of employees to technical or operational advice in implementation of decisions and, where there is a stronger inclination to provide for employee involvement in decision-making, to limit that to the operational issues associated with efficiency and organisational effectiveness rather than broader strategic issues. The findings suggest that the researcher needs to identify managerial perspectives on issues rather than relying exclusively on what managers do in order to ascertain their ideological bent.

In other words, identifying the ideological proclivity of a manager is difficult because there are degrees to which managers might reflect a unitarist ideology, exhibiting a range of unitarist responses and it is clear that managers will fit different unitarist categories. The managers in the survey fell into five categories: those who are unlikely to be unitarist, and those with low, moderate, high and very high unitarist tendencies. The unitarist taxonomy derived from managers' responses to the unitarist statements organised around the four dimensions of unitarism revealed that only 3.4 percent of managers responded positively to most of the unitarist items. At the other extreme, more than one-fifth (21.8 percent) of managers agreed with less than a quarter of the unitarist statements. These SME managers were less likely than the other managers in the survey to reflect a unitarist ideology. Nevertheless, there was only a low correlation between managers' workplace practices and their unitarist responses, indicating again the problems with assuming managers' ideology entirely from either their behaviour or their attitudes.

7.4 Unitarist dimensions, managerial practices and SME managers' satisfaction with employee performance

The final general research question was whether there was a significant relationship between the dimensions of unitarism and SME managers' satisfaction with their employees and the organisation. The analysis revealed only that managers' attitudes towards employee participation, the view that conflict is organisationally dysfunctional, and

whether managers thought trade unions were relevant were significant for their satisfaction with performance.

The overall linkage between work practices and satisfaction with employee performance was stronger for consultation on both efficiency and strategic issues and the degree of consultation on strategy. All of the consultative variables were significant for employee altruism and employee productivity. The degree of consultation on efficiency issues impacted on all of these but employee commitment. Only consultation on strategy was significant for the effects of work on employees.

The significance of consultative behaviours for satisfaction with employee and organisational performance could arise because consultation preserves managerial prerogative while providing support for managerial decision-making. This requires further research.

7.5   Conclusions: contributions to the literature on unitarist ideology

In this thesis there has been an attempt to explore thoroughly the ideology of managers by focussing on the characteristics of unitarist attitudes and behaviours. Fox's unitarism was an intuitive category of managerial ideology rather than one built upon systematic, empirical research because it was developed as part of a normative analysis of British industrial relations. It has since had significant impact on industrial relations research on managers. Much of the analysis in the literature uses unitarism to categorise managers and their behaviour. Not all of this literature has applied Fox's notion uncritically, especially when it provided the framework for the development of work on managerial style. However, where industrial relations scholars have investigated managerial attitudes in order to ascertain whether managers are unitarists or pluralists, such studies have not developed an adequate, detailed instrument in order to ascertain managers' ideology.

As this study demonstrates, the identification of managerial ideology is difficult, whether qualitative or quantitative methodologies are applied. The detailed analysis of managerial attitudes towards a broad range of unitarist statements covering the full range of key managerial attitudes from the literature goes part of the way towards overcoming this difficulty. The research design for this thesis provides a considerably broader range than in

most studies of testable attitudes related to the unitarist managerial ideology, providing a comprehensive basis for analysing managerial ideology. By restricting the analysis to a consideration of unitarist ideology alone, the study sought to establish whether or not Fox's unitarist framework was valid as a construct at all.

The key contribution is, first, an empirically based understanding that the adoption in work organisations of practices, which are prima facie pluralist in conception and practice, does not necessarily reflect a pluralist ideology or orientation. While Kochan et al. (1994) acknowledged that employers might harbour anti-union feelings while maintaining collective workplace arrangements, this study focuses on the ideology rather than management pragmatism. The fact that managers limit what decisions they involve employees in, and frequently exclude non-managerial and non-supervisory employees, indicates that among the SME managers in this study there is a very limited observance of participative practices, giving further impetus to the conclusion that adherence to managerial power is a significant characteristic of unitarist managerial ideology. Managers are more likely to consult employees than involve them in decision-making, but consultation does not threaten managerial prerogative because decision-making power continues to reside with the manager. Managers are focussed on managerial prerogative rather than committing themselves to consultative or participative practices or to collective arrangements. These insights are important for future research on management behaviour, particularly when public policy changes in industrial relations appear to be leading to an individualised, employer-controlled, and deregulated industrial relations regime, which would sustain managerial prerogative and power rather than lead to pluralist decision-making structures and processes in the workplace.

Second, the study provides insights into the management of small and medium sized businesses, which employ a significant proportion of the labour market. The industrial relations literature on SMEs is increasing, but there have been few dedicated studies, with most studies employing meta-analysis of larger surveys or case studies. One of the key results for future studies of SMEs is the finding that organisational characteristics are relatively unimportant contextual variables in management behaviour in businesses that employ fewer than 200 employees. The exception was where the SME was described as a

family business. In that case there was significance for more than half of the unitarist dimensions.

Third, this thesis provides an alternative to the conclusions of some industrial relations scholars that managers employ a mix of unitarist and pluralist strategies. While an apparent crossing of the ideological divide might suggest pragmatism in the managerial imperatives of dealing with the constraints of legislation and the strategies of other parties in industrial relations, these explanations do little to explain the fundamental assumptions managers bring to the employment relationship. The adoption of apparently pluralist management practices in consultation and employee participation are revealed in this research as being predominantly non-threatening to managerial prerogative and organisational power structures in workplaces in terms of who is involved or excluded, and about what matters employees are consulted or involved. The overall results of managers' attitudes to collective workplace arrangements and trade unions confirm a general unitarist orientation in Australian SMEs.

Fourth, the evidence suggests that normative precepts guiding managerial behaviour (roughly applied in the diverse notions of Marxist praxis, non-Marxist linkages between values and action, and strategic choice theory) are rather diffuse. Indeed, the approval of statements, for example, lauding the role of employee participation in effectively running an organisation, is not reflected generally in managerial practices found in Australian SMEs. Underpinning normative perspectives on management is an underlying commitment to protecting managers' power in the work organisation. It is this fundamental political commitment that both guides and constrains strategic choice, confirming and extending Streeck's (1987) observation that the need to retain control over the workforce is one of the key imperatives in exercising strategic choice. Unitarist ideology is thus central to the raison d'etre of management. Fox (1966a, pp. 371-2) argued, as was seen in section 2.7.5, that unitarism was 'incongruent with reality and useless for purposes of analysis'. This study shows conversely that unitarism goes to the core of managerial prerogative. It is useful also because, as the data analysis revealed there are eleven key dimensions, which are worthy of further study and application and which provide the basis for further developing an understanding of managerial ideology as ideas and behaviour.

Finally, the results indicated that SME managers in the study usually did not demonstrate strong attachments to their views on the issues presented to them. Nevertheless, just over 30 percent of the SME managers surveyed expressed views supportive of more than half of the issues expressed in unitarist terms. Managers' personal characteristics contained little significance for the views they adopted – except when they also owned the business – providing little additional insight into their assumptions. However, the positivist's focus on the contingency of managerial behaviour does not receive support from this research, since the contextual variables also have little significance for ideology and management behaviour.

While the analysis of the survey data and the interviews provides a more thorough perspective on the elements of a unitarist ideology than any other study of unitarism, the results highlight the need to further research the relationship between management attitudes and practice. While the findings showed that the eleven unitarist dimensions had limited impact on managerial practice, apart from consultation, these dimensions suggest themselves as a framework for future analysis of managerial assumptions and for the study of management behaviour in managing employees both in SMEs and in larger organisations.

The research sought to test existing concepts rather than develop a new model of unitarism, although the eleven dimensions and their significance for managerial practice refine the study of management ideology and behaviour for the industrial relations student.

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Appendix A

USQ
TOOWOOMBA

PRISM

Projects for Research Into SMEs

The Assumptions of Managers in Managing Employees

This research project is the second of the national studies on management and organisational change in Australian SMEs conducted by Dr Retha Wiesner and Mr Jim McDonald, Department of Human Resource Management & Employment Relations in the Faculty of Business at University of Southern Queensland, Toowoomba.

The first survey, in which you recently participated, dealt primarily with the dynamics of employee management and organisational change in SMEs.

This survey questionnaire deals with a range of issues associated with assumptions managers bring to the business of managing employees.

There are four sections to the survey form. The first section asks some of those necessary demographic questions about the size of your organisation and some other features.

The second section deals with a range of views on employee management. These relate to views on management itself, collective workplace relations, conflict, unions, and the limits on management.

In the third section, you will be asked questions about the structures and processes which are in place in the organisation and the way some key decisions are made.

Finally you will be asked to reflect on your satisfaction with a number of outcomes from the management process.

The questionnaire takes around 20-25 minutes to complete. Thank you very much for your participation in this work on SMEs.

If you mislay the reply paid envelope, please send the questionnaire to
REPLY PAID 116
J McDONALD
DEPT of HRM & ER
FACULTY of BUSINESS
UNIVERSITY of SOUTHERN QUEENSLAND
TOOWOOMBA Qld 4350

USQ

TOOWOOMBA

PRISM

Projects for Research Into SMEs

FACULTY OF BUSINESS

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TOOWOOMBA Qld 4350

APPENDIX A

Please answer all the questions. All answers will be treated in the **strictest confidence** and **anonymity** of responses is assured. The responses will be retained in the Department of HRM & Employment Relations in the Faculty of Business, University of Southern Queensland, Toowoomba. The sample list **will not** be forwarded to any other individual or organisation.

SECTION A: YOU AND YOUR ORGANISATION

A1 How many employees are in your organisation?

Fewer than 20	$\square_1$
21-50	$\square_2$
51-100	$\square_3$
101-200	$\square_4$
200+	$\square_5$

A2 Is your business in:

agriculture	$\square_1$
mining	$\square_2$
manufacturing	$\square_3$
electricity and gas	$\square_4$
construction	$\square_5$
wholesale	$\square_6$
retail	$\square_7$
transport	$\square_8$
storage	$\square_9$
communication	$\square_{10}$
finance	$\square_{11}$
public administration	$\square_{12}$
community service	$\square_{13}$
entertainment	$\square_{14}$

If uncertain, please enter here:_____

_____

A3 What is your organisation's principal product or service? *Please specify:*

_____

A4 What is the management level of your current work position *(tick the nearest equivalent box)*

Chief Executive Officer	$\square_1$
Executive reporting to CEO	$\square_2$
Senior manager	$\square_3$
Middle manager	$\square_4$
Supervisor	$\square_5$
Other *(please specify)*	$\square_6$

_____

A5 What is your highest level of formal education?

Secondary school certificate	$\square_1$
A TAFE qualification/formal trade certificate	$\square_2$
An undergraduate degree	$\square_3$
Postgraduate diploma or certificate	$\square_4$
MBA	$\square_5$
Postgraduate degree other than MBA	$\square_6$
Other	$\square_7$

_____

A6 Please indicate the major source of your ideas about management *(rank from 1-3, the most significant influences):*

Managers in your network (eg, chamber of commerce, Rotary, AIM, etc)	$\square_1$
Experience	$\square_2$
Management books	$\square_3$
Business/management training (eg MBA)	$\square_4$
Your religious beliefs	$\square_5$
Your political affiliations	$\square_6$
Industry Association advice/publications	$\square_7$
Government publications	$\square_8$
Other (please specify)	$\square_9$

A7 To your knowledge, what is the percentage of union members?

None at all	$\square_1$

If *None at all* skip to Question A9

Less than 10%	$\square_2$
11 – 25%	$\square_3$
26 – 50%	$\square_4$
51 – 65%	$\square_5$
66 – 75%	$\square_6$
More than 75%	$\square_7$

A8 Is the union active at your workplace?

	Yes	No
1. There is a union delegate on site	$\square_1$	$\square_2$
2. A full time official visits at least once a year	$\square_1$	$\square_2$
3. Union members raise issues with me from a union perspective	$\square_1$	$\square_2$

A9 Is this organisation owned by a family?

Yes	$\square_1$
No	$\square_2$

If *No*, skip to question A11

A10 Do the family members actively manage the business?

Yes	$\square_1$
No	$\square_2$

A11 Are you an owner of this company (*ownership includes significant shareholding*)?

Yes (family member)	$\square_1$
Yes (non-family member)	$\square_2$
No	$\square_3$

APPENDIX A

A12   **What is your age group?**   **A13**   **What is your gender?**

Under 30 years	☐₁	Female	☐₁
31-45 years	☐₂		
46-55 years	☐₃	Male	☐₂
56-65 years	☐₄		
More than 65 years	☐₅		

SECTION B: VIEWS ON EMPLOYEE MANAGEMENT

Questions in this part are about your <u>attitudes</u> towards a number of principles which you might apply to your workplace rather than about what actually happens in your workplace.

B1 Please tick the box which most closely reflects your view on the following statements about management	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	1	2	3	4	5
1. It is a manager's primary role to direct employees	☐	☐	☐	☐	☐
2. A healthy organisation is unified around management as the central source of authority	☐	☐	☐	☐	☐
3. Managers' principal responsibility is towards the employer/shareholders	☐	☐	☐	☐	☐
4. Individual employee agreements such as Australian Workplace Agreements restore managers' rights to manage	☐	☐	☐	☐	☐
5. Managers have more commitment to the company than other employees	☐	☐	☐	☐	☐
6. Negotiating trade-offs in agreements compromises effective management	☐	☐	☐	☐	☐
7. Involving shopfloor employees in major decisions is necessary for effective management	☐	☐	☐	☐	☐
8. Individual employee agreements such as Australian Workplace Agreements reinstate managers' primary responsibility towards the employer/shareholders	☐	☐	☐	☐	☐
9. Effective managers involve employees in key decisions affecting the organisation	☐	☐	☐	☐	☐
10. Empowering employees will improve the company's performance	☐	☐	☐	☐	☐
11. Self-managing teams are the way of the future for successful companies	☐	☐	☐	☐	☐
12. One key to successful management of employees is to put in place up-to-date systems to monitor employee performance	☐	☐	☐	☐	☐
13. Employee resistance to change must be met by firm management action	☐	☐	☐	☐	☐
14. Involving employees in key decision-making is impractical	☐	☐	☐	☐	☐
15. Managers must set the goals shared by all of the members of the organisation	☐	☐	☐	☐	☐
16. Third parties such as unions, government, and the Commission undermine management's legitimate authority	☐	☐	☐	☐	☐
17. Consultation with employees on major issues leads to decisions which are less than optimal for the efficient functioning of the firm	☐	☐	☐	☐	☐

Confidential   MANAGERS' ASSUMPTIONS IN MANAGING EMPLOYEES

B2 Please tick the box which most closely reflects your view on each of the following statements about collective workplace relations.

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	1	2	3	4	5
1. Negotiations and bargaining encourage an adversarial "them and us" culture in the workplace	☐	☐	☐	☐	☐
2. Negotiating with unions or employee associations interferes with managers' responsibility to the employer	☐	☐	☐	☐	☐
3. Negotiations and bargaining encourage a "trade off" mentality that works against the role of management in achieving organisational goals	☐	☐	☐	☐	☐
4. Employees on individual contracts will be better team players than employees on collective agreements	☐	☐	☐	☐	☐
5. Collective agreements and awards encourage employees to view third parties as the source of improved employment terms and conditions rather than management	☐	☐	☐	☐	☐
6. Management is best placed to determine what is best for the employees	☐	☐	☐	☐	☐
7. The presence of unions generally reflects a history of poor management in an organisation	☐	☐	☐	☐	☐
8. The presence of a union in the workplace enhances our ability to deal with the difficult external environment of the 1990s	☐	☐	☐	☐	☐
9. Collective agreement-making enhances employee commitment to shared goals	☐	☐	☐	☐	☐
10. The achievement of management goals is compromised when organisational objectives are modified for the sake of getting agreement with a union or employees	☐	☐	☐	☐	☐
11. Agreement-making is a necessary evil which impedes the process of managing the organisation	☐	☐	☐	☐	☐
18. There is too much third party interference in management from government and unions	☐	☐	☐	☐	☐

B3 Please tick the box which most closely reflects your your view on each of the following statements about conflict (*by conflict is also meant disputes & grievances in the workplace*)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	1	2	3	4	5
1. Conflict in the workplace is inevitable whatever management structures are put in place	☐	☐	☐	☐	☐
2. Conflict would be eliminated if management's legitimacy was recognised by all parties	☐	☐	☐	☐	☐
3. Unions contribute significantly to the presence of conflict in the workplace	☐	☐	☐	☐	☐
4. Conflict is symptomatic of employees' inability to understand the complexity of work in today's organisation	☐	☐	☐	☐	☐
5. Where conflict occurs it reflects a failure on management's part to manage competently	☐	☐	☐	☐	☐
6. If managers could deal with employees face to face without the intervention of third parties, conflict would be reduced	☐	☐	☐	☐	☐
7. Conflict is mostly the product of individual employees' reactions to grievances	☐	☐	☐	☐	☐

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Question B3 continued	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	1	2	3	4	5
8. Conflict is irrational because managers and employees share common objectives	☐	☐	☐	☐	☐
9. Conflict between managers and employees is usually stirred up by third parties	☐	☐	☐	☐	☐
10. There will be no conflict when all employees consider themselves team players	☐	☐	☐	☐	☐
11. Individual contracts would eliminate conflict	☐	☐	☐	☐	☐
12. Management failures in communication and leadership are the most significant causes of conflict	☐	☐	☐	☐	☐
13. Conflict and loyalty to the firm are incompatible	☐	☐	☐	☐	☐

B4 Please tick the box which most closely reflects your your view on each of the following statements about trade unions	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	1	2	3	4	5
1. Unions are too powerful in Australia	☐	☐	☐	☐	☐
2. Unions divide employees' loyalty to the detriment of the organisation	☐	☐	☐	☐	☐
3. Management is at a disadvantage vis-à-vis unions	☐	☐	☐	☐	☐
4. Unions are unnecessary if management treats its workers properly	☐	☐	☐	☐	☐
5. Ultimately, management has the right not to deal with trade unions	☐	☐	☐	☐	☐
6. Without trade unions there would be no conflict of interest between employees and management	☐	☐	☐	☐	☐
7. Trade unions are an impediment to change in dealing with today's environment	☐	☐	☐	☐	☐
8. Management does not have any moral obligation to deal with unions	☐	☐	☐	☐	☐
9. Union recognition should be a matter for management and employees to decide	☐	☐	☐	☐	☐
10. Management owes it to the owner/shareholders to do everything possible to avoid unions	☐	☐	☐	☐	☐
11. Unions place unnecessary restrictions on effective management of the firm	☐	☐	☐	☐	☐
12. Unions are an impediment to flexibility and productivity	☐	☐	☐	☐	☐
13. Managers should try and find ways of getting the union out of the workplace	☐	☐	☐	☐	☐
14. Unions have their place but not in this company	☐	☐	☐	☐	☐

B5 To what extent do you believe are limited in how you manage your employees by the following factors:	Entirely	To a major degree	Partly	To a minor degree	Not at all
1. Human resource policy from corporate headquarters	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
2. Awards	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
3. Unions	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
4. Employee resistance to your management	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
5. Government legislation	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
6. Lack of resources	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
7. Other limitations (*Please specify*)					

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SECTION C: STRUCTURES AND PROCESS

In this question and the next, "consult" and "consultation" means to involve employees in decision – making to any degree at all, but means more than merely informing employees of your decisions or intentions. "Employees" refers to persons in the firm below supervisory and/or leading hand levels.

C1   In the normal course of your work as a manager *do you* or *would you* consult with employees on the following issues and changes?

Issues and Changes	Yes	No
1. Changes to job design and work organisation	$\square_1$	$\square_2$
2. Quality and cost improvement	$\square_1$	$\square_2$
3. On plant layout or office design	$\square_1$	$\square_2$
4. Training and skills development	$\square_1$	$\square_2$
5. Reliable customer service and on time delivery	$\square_1$	$\square_2$
6. The financial state of the firm and its market position	$\square_1$	$\square_2$
7. Corporate planning	$\square_1$	$\square_2$
8. Market performance	$\square_1$	$\square_2$
9. Employee amenities	$\square_1$	$\square_2$
10. Personnel practices	$\square_1$	$\square_2$
11. Major change issues facing the company	$\square_1$	$\square_2$
12. Major change decisions	$\square_1$	$\square_2$
13. Major policy decisions	$\square_1$	$\square_2$
14. Securing enterprise efficiency and productivity	$\square_1$	$\square_2$
15. Establishing work teams with direct responsibility for setting and achieving targets	$\square_1$	$\square_2$
16. Other, *Please specify:*	$\square_1$	$\square_2$

C2   To what degree do you consult with employees? You have four different decision-making methods at the head of each of the columns below. Please indicate which of these methods you *do apply* or *would apply* to the introduction of the changes and the issues listed?

Issues and Changes	*Involves widespread employee in-volvement in decisions*	*Employee consultation with possible limited involve-ment in goal setting*	*Managerial authority & direction is the main form of decision making*	*Managers initiate & implement change*
1. Major change issues facing the company	$\square_1$	$\square_2$	$\square_3$	$\square_4$
2. Occupational health and safety	$\square_1$	$\square_2$	$\square_3$	$\square_4$
3. Changes to job design and work organisation	$\square_1$	$\square_2$	$\square_3$	$\square_4$
4. Quality and cost improvement	$\square_1$	$\square_2$	$\square_3$	$\square_4$
5. Plant layout	$\square_1$	$\square_2$	$\square_3$	$\square_4$
6. Training and skills development	$\square_1$	$\square_2$	$\square_3$	$\square_4$
7. Reliable customer service and delivery	$\square_1$	$\square_2$	$\square_3$	$\square_4$
8. The performance of the firm	$\square_1$	$\square_2$	$\square_3$	$\square_4$
9. Corporate planning	$\square_1$	$\square_2$	$\square_3$	$\square_4$
10. Market performance	$\square_1$	$\square_2$	$\square_3$	$\square_4$
11. Major policy decisions	$\square_1$	$\square_2$	$\square_3$	$\square_4$

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Question C2 continued	*Involves widespread employee in-volvement in decisions*	*Employee consultation with possible limited involve-ment in goal setting*	*Managerial authority & direction is the main form of decision making*	*Managers initiate & implement change*
12. Employee amenities	☐$_1$	☐$_2$	☐$_3$	☐$_4$
13. Securing enterprise efficiency and productivity	☐$_1$	☐$_2$	☐$_3$	☐$_4$
14. Other (*Please specify*)				
_____	☐$_1$	☐$_2$	☐$_3$	☐$_4$

C3 **Please tick the relevant box(es) for *one or more* forms of consultation to indicate the type(s) of consultation which took place if you consulted on the matters in questions C1 and C2. If the matters in C1 and C2 did not apply to your workplace, which form(s) would the consultation take if you did introduce them?**

Method of consultation	Yes	No
1. Informal discussions with those employees affected by change	☐$_1$	☐$_2$
2. Formal meetings with those employees affected by change	☐$_1$	☐$_2$
3. Discussions with an established joint consultative committee	☐$_1$	☐$_2$
4. Discussions with a specially constituted committee established to consider the particular change	☐$_1$	☐$_2$
5. Discussions with union delegates at this workplace	☐$_1$	☐$_2$
6. Discussions with full-time union officials from outside the workplace	☐$_1$	☐$_2$
7. Other discussions	☐$_1$	☐$_2$
8. No discussions	☐$_1$	

C4 **In your time as manager of this workplace have you initiated, increased or maintained any of the following practices and processes in your organisation?**

Practices and Processes	Yes	No
1. An employee involvement/participative programme	☐$_1$	☐$_2$
2. Regular work or area meetings (for example, quality circles)	☐$_1$	☐$_2$
3. A joint worker-management committee to discuss or implement workplace change	☐$_1$	☐$_2$
4. A committee to address specific workplace issues other than safety and health	☐$_1$	☐$_2$
5. An occupational safety and health committee	☐$_1$	☐$_2$
6. A quality management programme (eg, ISO 9000 quality assurance, etc)	☐$_1$	☐$_2$
7. A Just-in-Time inventory system	☐$_1$	☐$_2$
8. Work process re-engineering (redesigning the company's processes, structure and culture)	☐$_1$	☐$_2$
9. Job or task rotation	☐$_1$	☐$_2$
10. Work in groups, teams, or cells	☐$_1$	☐$_2$
11. A multi-skilling or cross training programme	☐$_1$	☐$_2$
12. Job enlargement (viz, increased scope or responsibility level for employees)	☐$_1$	☐$_2$
13. Autonomous/semi-autonomous work groups	☐$_1$	☐$_2$

C5 **To what extent have you employed the following practices in the past 3 years**

	Never used	For some jobs	For all jobs
1. A group incentive plan	☐$_1$	☐$_2$	☐$_3$
2. A profit or gain-sharing scheme	☐$_1$	☐$_2$	☐$_3$
3. An employee share ownership scheme	☐$_1$	☐$_2$	☐$_3$

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Question C5 continued	Never used	For some jobs	For all jobs
4. A knowledge or skills-based pay programme	☐1	☐2	☐3
5. An individual performance based pay system	☐1	☐2	☐3
6. A group performance based pay system	☐1	☐2	☐3
7. A bonus system	☐1	☐2	☐3
8. Line manager makes employee selection decisions (non-managerial employees below leading hand/supervisory level)	☐1	☐2	☐3
9. More senior manager than line manager makes employee selection decisions (non-managerial employees below leading hand/supervisory level)	☐1	☐2	☐3
10. Other employees (non-managerial employees below leading hand/supervisory level) have input into selection decisions	☐1	☐2	☐3
11. Line manager conducts employee (non-managerial, and below leading hand/supervisory level) performance appraisal	☐1	☐2	☐3
12. Peer appraisal is practiced at employee level (non-managerial employees below leading hand/supervisory level)	☐1	☐2	☐3
13. Negotiations and written agreements with employees	☐1	☐2	☐3
14. Negotiations and written agreements with unions	☐1	☐2	☐3
15. Other, *please specify:*	☐1	☐2	☐3

SECTION D: OUTCOMES

D1 How satisfied are you with the following aspects of your workforce and your firm's performance? Please tick the box under the appropriate heading:

Aspects of your workforce and firm's performance	Extremely satisfied	Satisfied	Dissatisfied	Extremely dissatisfied
	1	2	3	4
1. Employee morale	☐1	☐2	☐4	☐5
2. Employee commitment to organisational goals	☐1	☐2	☐4	☐5
3. Employee turn-over	☐1	☐2	☐4	☐5
4. Employee attention to quality of service or product	☐1	☐2	☐4	☐5
5. Organisational profitability	☐1	☐2	☐4	☐5
6. Employee absenteeism	☐1	☐2	☐4	☐5
7. Accident rates	☐1	☐2	☐4	☐5
8. Employee stress	☐1	☐2	☐4	☐5
9. Employee loyalty to the firm	☐1	☐2	☐4	☐5
10. Employee cooperativeness	☐1	☐2	☐4	☐5
11. Employee willingness to complete tasks on time	☐1	☐2	☐4	☐5
12. Wastage rates (or damage to equipment, if you are a service organisation)	☐1	☐2	☐4	☐5
13. Necessity for reworking (or re-doing tasks, if you are a service organisation)	☐1	☐2	☐4	☐5
14. Employees' customer orientation	☐1	☐2	☐4	☐5
15. Employees' interest in the work	☐1	☐2	☐4	☐5
16. Employees' pride in the firm	☐1	☐2	☐4	☐5
17. Employees' pride in their work	☐1	☐2	☐4	☐5

END OF SURVEY, THANK YOU.