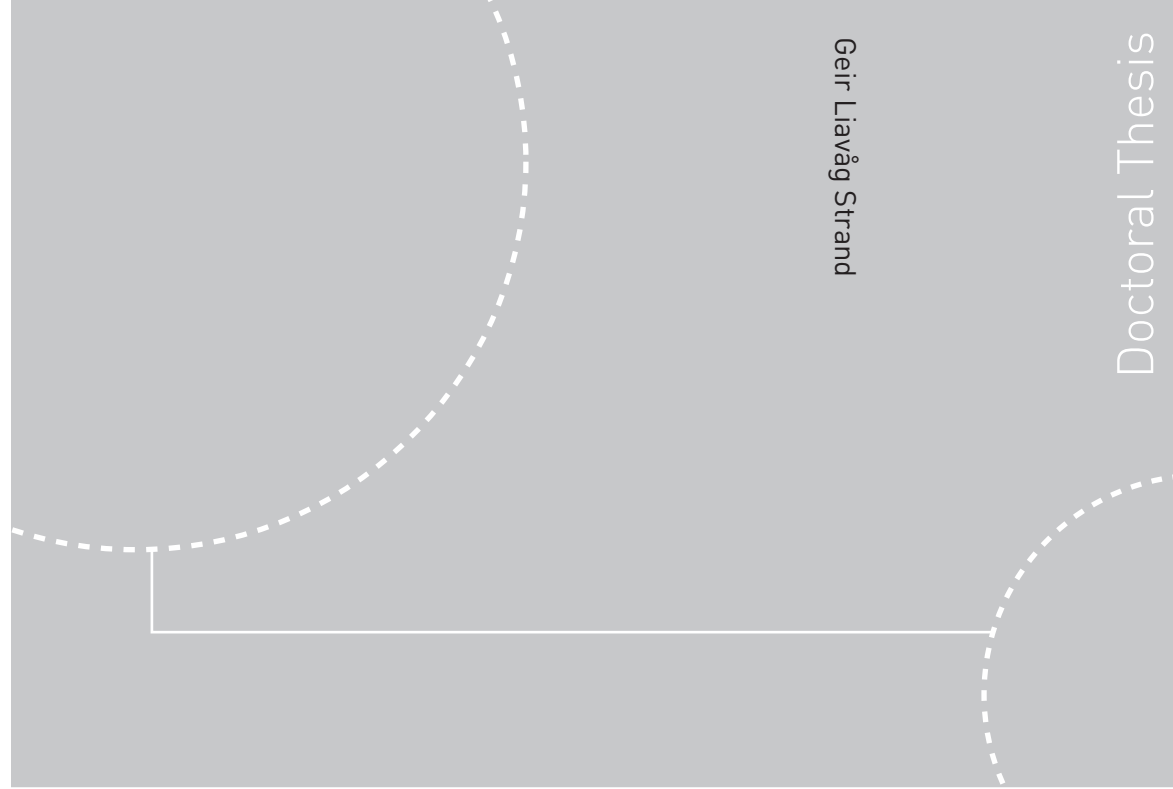


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Geir Liavåg Strand  
**Reorganising the workplace:  
Factors that affect implementation  
of broad participation**

Geir Liavåg Strand

# Reorganising the workplace: Factors that affect implementation of broad participation

Thesis for the degree of philosophiae doctor

Trondheim, November 2010

Norwegian University of  
Science and Technology  
Faculty of Social Science and Technology Management  
Department of Industrial Economics and Technology  
Management



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## **Summary**

This research looks at how the workplace reorganises through implementing broad participation by employees. The companies under research had no prior experience utilising broad participation, and are located in an area where both the Labour Party and the Unions traditionally played a minor role compared to most other areas in Norway.

The foundation of this research is an action research project promoting broad participation in a group of companies over six years. For this dissertation, the degree of participation is “measured” by how much employees take part in the development processes and decision-making. “Broad participation” means that the employees to a high degree participate. In traditional Norwegian work life, the Industrial Relations System—the Trade Union (LO) and the Employers Confederation (NHO)—promotes broad participation at a national level; therefore, employee participation in decision-making is seen as good both by the LO and NHO. There are two forms of collaboration between LO and NHO. The first is conflict-based collaboration based on fight and is typically found in wage negotiations. The second is collaboration based on achieving mutual goals and is found in enterprise development projects. This latter form is defined as peaceful collaboration in this dissertation. In the actual companies, most of the employees are union members. The change project under study was organised by the local trade union (LO) and the local managers (NHO); one of the

Reorganising the workplace: factors that affect implementation of broad participation goals was to involve the employees in decision-making processes according to LO and NHO requirements. The employees also had no prior experience with broad participation.

In this dissertation, it is argued that enabling implementation of broad participation in companies depends on multiple factors:

- Influence from the Industrial Relations System
- Organisational history
- Management's choice to allow employees to take part in decision-making
- The union's choice to accept an invitation to participate in decision-making
- Existing arenas for peaceful collaboration between management and employees

These five elements comprise my theoretical model, and five sub-questions were developed and mapped to each element. These attempts to answer the overall research question of what enables or hinders broad participation in companies. The sub-questions are:

1. How has the Industrial Relations System influenced the change process?
2. How have organisational routines influenced the implementation of broad participation?
3. To what degree does management choose to allow union involvement in a company's development work?

4. To what degree does the union choose to accept management's invitation to take part in peaceful collaborative work?
5. How do the dialogues between management and unions operate at the arenas for peaceful collaboration?

It is argued that the answer for each of these five sub-questions answers the main research question on what enables or hinders implementation of broad participation in companies.

The results are presented as a case study using thick description and analysed with qualitative research methods according to the theoretical model and the above sub-questions. The data is comprised of reports and reflections from dialogue conferences and action plans from the change project, and supplemented by interviews with union leaders and managers, and my reflections from the process.

The first finding is that the local historical practise, where managers initially walked around the shop floor discussing issues, gave the employees a type of direct participation that influenced the organisational routines in the companies. This influence is still strong in the companies.

The main findings show that it is the same factors that enables and hinders implementation of broad participation. If the factor has a "positive value" it enables broad participation, while a "negative value" hinders broad participation. There is asymmetry in what enables or hinders broad participation. Management can enable or hinder broad participation; the unions can enable, but not hinder implementation of broad participation. If the unions try to hinder implementation, management can collaborate directly with each employee without involving the union.

## Reorganising the workplace: factors that affect implementation of broad participation

## **Preface**

I would like to thank the INC Group, and its founders Oddgeir Igland and Per Arvid Nødseth, for allowing me to conduct fieldwork in their companies for six years. Also thanks to managers and union leaders in the INC Group for their support: Geir Johannessen, Vidar Grønnevik, Roald Leivestad, Lars Terje Standal, Kristin Bergstøl Hansen, and Jørgen Agledal.

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*Geir Liavåg Strand*

Sandane, November 2010

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## **Chapter 1 – Introduction**

### ***1.1 – Background***

From 2004-2009, a group of eighteen companies on the Norwegian West Coast ran a change project between management and employees to promote collaboration in enterprise development. The goals were to solve the companies' challenges by utilising knowledge and ideas shared among the managers and more than 700 employees, and to include employees in the companies' decision-making routines. Researchers took part in the project as facilitators and discussion partners by participating as action researchers. The action researchers reflected on the results achieved in the companies, and this dissertation is written as part of these reflections. I worked as an action researcher during all the six years of the change project. The goal of this dissertation is to reflect on what enabled or hindered collaboration between managers and employees in these companies.

All employees throughout these 18 companies were invited to take part in the change project by first attending a dialogue conference in their own company. Nearly all employees met and discussed with management the challenges each company faced. The dialogue conference typically lasted for two days, and the company closed during this time. A group consisting of management, unions, and researchers followed up with the decided actions and reflected on the results achieved. The employees subsequently took part in the prioritised change activities. Since introducing broad participation included all employees, the union leaders had an active role in these activities. Introducing broad participation also included introducing peaceful collaboration between management and unions.



There are different ways of collaborating between management and unions, ranging from management informing unions of decisions already made, to making unions part of the company's decision structure (Pateman, 1970). In this case, broad participation was the goal. Implementing broad participation meant that employees and unions should be part of the decision structure in the company—they were partners in enterprise development. This active role for unions in enterprise development led to changes in the organisational structure of the companies, which forced management to allow unions more influence. This changed the power structure in the companies. For the unions, taking part in decision-making was a role different from the traditional roles of negotiating salaries and better working conditions, which required a change of mindset. When taking part in participative activities, unions had to both collaborate and fight with management. A metaphor describing this dual role is that unions had to be able both to dance and box with management (Huzzard, 2004). The history of collaboration between management and unions in Norway is important in order to understand the change project, and an introduction to this history follows.

The Industrial Relations System in Norway is highly collaborative; there is a long tradition for broad participation between management and unions. This collaboration traces its origins to 1935, when a general national agreement was created between employers (NAF<sup>1</sup>, the Confederation of Norwegian Employers) and employees (LO, the Trade Union Council) (Gustavsen & Hunnius, 1981, p. 17). Much of the collaboration between employees and employers in Norway was established with social democracy in government. While the Labour Party (Social Democrats) was unchallenged from 1945 to 1965, it has been in-and-out of government since

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<sup>1</sup> NAF later changed its name to NHO

Reorganising the workplace: factors that affect implementation of broad participation then. And, while there is close cooperation between the Labour Party LO, there has also been a close and trustful collaboration between NHO and the LO since 1945. LO and NHO have learned to live with areas of conflict and collaboration (Gustavsen, Qvale, Sørensen, Midtbø, & Engelstad, 2010, pp. 23-26).

There is largely a collaborative climate in the Norwegian Work Life (Levin, 2002a, p. 2). In the Industrial Relations System in Norway, collaboration between the unions (LO) and the employers (NHO) is separated from conflict; both coexist in everyday work practise; LO and NHO practise both boxing and dancing with each other. In Norway, collaboration between employers and employees is legitimate and supported on a national level. This legitimacy was earned through the Basic Agreement between LO and NHO, and its accompanying additional agreements. An agreement on enterprise development is part of the Basic Agreement (Confederation of Norwegian Enterprise (NHO) & (LO), 2006, p. 31). This agreement ensures the individual employee's co-determination and influence in business development, and an institution is created to handle this collaboration. This institution is the "Joint Programme" (HF), an institution consisting of members from LO and NHO. For a long time, HF supported enterprise development projects initiated according to the agreement—projects that promote broader participation between managers and unions at a company level. Many of these projects have taken place in companies with a long tradition for collaboration between management and unions.

What is today called the Norwegian Model in work life has its origins in HF-sponsored projects and the Basic Agreement between LO and NHO. In addition, LO and NHO have an agreement with the Government to ensure that they participate in the wage negotiations between LO and NHO—discussing issues like taxes, pension, and health care.

The LO and NHO have agreed to run national projects promoting industrial democracy. One of the first goals was to develop a joint understanding of what industrial democracy means. The first project was the Industrial Democracy programme in Norway in the 1960s and 1970s.

The Industrial Democracy programme consisted of two main parts: a research project to find out how representative democracy worked in industry in European countries, and a part that researched different forms of democracy at work place. In this programme, industrial democracy was no longer seen only as a matter of employee's representation at the board, but everyday issues on the shop floor was also in focus (Gustavsen, 1992, p. 15). As part of the Industrial Democracy programmes, change projects were run to try out different forms of direct participation by employees at shop floor. These projects were run in companies in different important Norwegian industries (Emery & Thorsrud, 1976; Gustavsen, 1992, p. 15; Herbst, 1971a; Thorsrud, 1971; Thorsrud & Emery, 1964, 1970). One of the criteria to be part of the project was a willingness by both managers and unions to collaborate at the shop floor level. In the years after the Industrial Democracy Programme, other large national research programmes like "Enterprise Development 2000" (ED2000), "Value Creation 2010" (VC2010), and to some degree the "Programme for Regional R&D and Innovation" (VRI), have been run to support the Norwegian Model. This dissertation is written as the result of research performed in a VRI research project that used the Norwegian Model as tool.

Most of the research on broad participation in Norway is from companies that have a long history of collaboration between union and management, while my research on the contrary is done in a group of companies where there has been no long

Reorganising the workplace: factors that affect implementation of broad participation history of collaboration between management and unions on development issues. The initiative to start this change project came from both LO and NHO.

The change project's goal was to identify and solve some of the companies' challenges by working differently. As this was a project funded by HF, collaboration between unions and management was the selected method used in the change project. The companies had no experience using this method. The researchers and HF-members in the project initiated the dialogue between management and unions by organising a collaboration conference (Pålshaugen, 1998), a number of dialogue conferences and dialogue meetings. One collaboration conference was arranged at start of the change project. Union members and managers from the different companies participated. At the conference, one of the focuses was the collaboration between LO and NHO at national level and the importance of collaborating between unions and managers at company level. Another key goal was to start the dialogue between managers and unions on company's important challenges. The dialogue between managers and unions were continued through dialogue conferences or dialogue meetings organised in each of the companies. The result of a dialogue conference or a dialogue meeting was an agreed action plan to perform changes in the companies.

It was my responsibility to organise the dialogue conferences and as a member of a team of managers and union leaders that followed up the agreed action plans in the different companies. The actions were followed up by running small-scale change projects related to the identified issues in each company. Together with management and unions, the researchers evaluated and reflected on the results achieved in the change processes. To be able to do this, I had my own office at the group's

Reorganising the workplace: factors that affect implementation of broad participation headquarters, and was present at this office once a week for more than two years, taking part of the daily change activities in the companies.

As expected, some of the introduced changes were successful and others were not. In one of the companies, management and the unions agreed on a close collaboration by jointly planning daily operations. In another company both management and unions agreed on concrete actions to promote a better dialogue at the workplace, but these actions were not carried out. In one of the companies it seemed that neither management nor union really wanted this close collaboration. This latter was surprising. I expected that introducing broad participation should be easier to implement in the companies because of the strong national support for broad participation by LO and NHO. This support is stated in the Basic Agreement between the LO and NHO and is institutionalised by HF. Why is there a mismatch between the national and local levels when it comes to broad participation? This raised an interest for what enabled or hindered broad participation at the company level.

One of the factors that might influence the ease of implementing broad participation is the local context. Even if there are agreements between LO and NHO at national level, these are not always easy to put into action. Gulowsen (1975, 1987) claims that there are differences in Norway when it comes to the degree of participation between management and unions. In some part of Norway and in some industries there are good collaboration between management and unions. In other parts, the unions are relative weak and this might lead to difficulties when implementing broader participation based on the national agreement. It is also a fact that in some “new” industries, like computer businesses and commodity trade, there are small shares of the employees that are union members and this is a problem as long as the union is the counterpart to management in these processes. This research is

Reorganising the workplace: factors that affect implementation of broad participation based on lessons learned from a change project in a group of 18 companies, in a region new to broad participation between management and unions.

This project is action research and it is built on the action research argument that the best way to study change in organisations is to perform changes and then learn from the achieved results (Lewin, 1946). The data is presented as a case study (Stake, 1995, 2000) using thick description (Geertz, 1973), and is analysed by qualitative research methods (Denzin & Lincoln, 2000). Data is comprised of reports and reflections from dialogue conferences and action plans from the change project, interviews with union leaders and managers, and the my reflections throughout the process; details can be found in the appendix.

## **1.2 – The thesis**

My thesis is that there are five important factors that influence the implementation of broad participation in companies, and these are reflected in the sub-questions:

The first factor is the influence from the Industrial Relations System. In Norway, this system materialised through the Joint Programme (HF) and supports projects that implement broad participation in companies. HF supports projects with funding and/or knowledge transfer. The assumption is that legitimacy and support from HF enables broad participation in companies, and that lack of such support hinders implementation of broad participation.

The second factor is the organisation's history. Organisations are not timeless systems, but are historically contextualised; the local history of a workplace does matter. Companies have routines that tell employees and managers how to act in different situations. Once established, these routines are difficult to change. However,

Reorganising the workplace: factors that affect implementation of broad participation they will change as a result of incremental variations over time; a way to model this is through the evolutionary theory of organisational development (Nelson & Winter, 1982). In many companies, management developed these routines and their changes without employee participation. This means that employees and unions have little influence and no voice in the process of making these routines. If that is the case, this hinders the implementation of broad participation because management and employees must learn to collaborate. On the other hand, if routines are made in collaboration between managers and employees, this will enable broad participation.

The third factor contains the power structure in the company and the management's choice in utilising power. To enable broad participation, management must choose to allow employees and unions to take part in the decision-making process. As this changes a company's power structure by giving unions and employees more power, management might resist such change, which hinders implementation of broad participation.

The fourth factor is whether the unions choose to collaborate with management—or not. Historically, unions have prioritised negotiating working conditions and wages with management to protect their members' interest versus the employer—primarily a fighting situation. To enable broad participation, unions must instead change their mindset to choose peaceful collaboration with management, and this might be a challenge. Such relationship changes with management are not always welcomed, and could be resisted by employees and unions—thus, hindering implementation of broad participation.

The fifth factor considers the arenas for collaboration. In a company, there are many different arenas where unions and management meet. Some—like wage negotiations—are based on conflict between the two parties. Other arenas, such as

Reorganising the workplace: factors that affect implementation of broad participation joint development committees, are based on peaceful collaboration. To enable broad participation, management and unions must meet in arenas where they can peacefully discuss joint efforts to develop the company. This should be a different type of arena from the traditional ones—one for collaborating, not fighting. A lack of collaborative spaces in a company will hinder implementation of broad participation.

The hypothesis states that these factors are important to research when answering the question of what enables or hinders introducing broad participation in industry. It is important to implement broad participation in industry for several reasons, presented below.

### **1.3 – *Why should we care?***

The importance of this work for Norwegian work life is an understanding that much of what is written on broad participation in industry has a too narrow perspective. In the 1970s, Emery and Thorsrud (1976) found that implementing broad participation was more than just institutionalising good Industrial Relations between unions and employers at a national level. In subsequent years, the focus has shifted from collaboration within a company to developing coalitions between companies (Gustavsen, et al., 2010). In order to successfully implement broad participation in new geographical areas, focusing on the company level is still important today. One goal of this dissertation is to emphasise this fact. An understanding that organisations have a history that influences the possibility to achieve change is crucial. It is also important to consider the power structure in the company. This research suggests that to enable broad participation, management must choose to allow unions to take part in collaborative activities.



The focus for the companies is on the day-to-day participation that leads to small, but important organisational innovations in industry. To understand what enables or hinders collaboration on the shop floor is important to be able to promote broader participation. Even if the actual changes achieved are incremental, they are promising for the future. Both management and unions in these companies conclude that collaboration is better than confrontation, because working together to solve problems gives better solutions. Those who participated in this change project admit that there is still a long way to go, but they have started the walk.

Both politicians and researchers agree that implementing broad participation in companies is important for the industry's competitiveness. The Norwegian Government claims in a white paper to the Norwegian Parliament that this collaboration results in "comprehensive innovation, productivity growth, and inclusion" (NHD, 2008, p. 22). Politicians in the European Union agree that there is an economic argument to why participation is important. An EU green paper (European Commission, 1997) on how to improve "employment and competitiveness through a better organisation of work at the workplace, based on high skills, high trust and high quality" states that the policy challenge is "how to reconcile security for workers with the flexibility which firms need." The Ciampi report from the EU on European industrial competitiveness (Ciampi, 1995), concludes that more worker participation in decisions will lead to improved industrial relations—and potentially to a better quality product. "The latter in fact represents an essential component in any strengthening of the competitiveness of the European economy." This shows the interest for more worker participation in the European work life development.

It is further claimed that the use of broad participation in Norwegian industries could be one of the answers to why Norwegian industries are competitive globally,

Reorganising the workplace: factors that affect implementation of broad participation despite Norway's high wages as compared to her competitors (Finsrud, 2009; Øyum, et al., 2010). The findings of what enables broad participation state the importance of both unions' and managers' actions in different company arenas to support or hinder collaboration. Without taking into account organisational history, management's choice to allow employees to take part in decision-making, or the unions' choice to collaborate with management, the Industrial Relation System and its institutions will possibly fail in supporting new companies or new industries that want to implement broad participation. If the importance of close collaboration for Norway's competitiveness is right, it is important to introduce broad participation in new companies and industries. These new companies and industries must be supported at a micro level to be able to participate in national programmes promoting peaceful collaboration between managers and employees. As claimed in this dissertation, implementation of broad participation is demanding. Norway's competitiveness is dependent on expanding broad collaboration to new industries. The fear is that introducing broad participation in new companies is seen as too difficult, with the result that the Industrial Relations System will continue to prioritise supporting organisations and industries that over the last 50 years have proven good results in running participative projects instead of involving others in the collaboration idea.

For the research community this could be a reminder that the findings from Emery and Thorsrud (1976) are still important when enabling implementation of broad participation. This also means that the Industrial Relations System in Norway, and its institutionalised collaboration between management and unions at the national level, has less significant influence in collaboration on the shop floor at companies new to participative development than companies used to utilise this approach.

## **1.4 – Relevant literature**

As this dissertation focuses on implementation of collaboration between managers and unions, theories of participation are relevant. Important issues include definitions of “broad participation”, different interpretations of what participation means, and discussions regarding whether participation is good or bad for industry. According to Eikeland and Berg (1997), participation means that people who are influenced by the decision or the solution to the problem take part in the process. Pateman (1970) claims that participation by employees in industry is a matter of how employees participate in the decision-making in an organisation. She distinguishes between three different types of participation: pseudo, partial, and full participation. There are different phases in a problem solving process, and participation is a part of all these phases. The degree of participation is “measured” by how much employees take part in the whole process. “Broad participation” means that the employees to a high degree participate (Eikeland & Berg, 1997, pp. 18-23).

Greenberg (1975) states that everyone supports participation, but only because of different interpretations of the phrase’s meaning. He defines four different schools of thought: the management school, the humanistic psychology school, the participative democratic tradition, and the participatory left. All of these schools support broad participation, and Greenberg discusses how broad participation is defined and understood in these different schools and why the schools support broad participation. In addition, there are discussions in the literature on whether participation is good or bad for an economy and for democracy (Greenberg, 1975; Lawler III, 1986; Poole, 1978; Smith, 2006b), and a discussion of the effects of worker participation in companies (Smith, 2006a, pp. xiii-xvi). According to Lawler (1986), those who argue that participation is bad because it is not economically

Reorganising the workplace: factors that affect implementation of broad participation favourable are wrong. Another argument against participation is that it is bad for democracy, because participatory facilitators tend to override existing legitimate decision-making processes; that group dynamics lead to participatory decisions that reinforce the interests of the already powerful; and a fear that participatory methods have driven over other methods which have advantages that participation doesn't provide (Cooke & Kothari, 2001). A last point to be made is that this research is based on action research (Greenwood & Levin, 2007). In action research, researchers are not only observers, but take active part in the change processes; researchers are not neutral observers, but facilitate change by participating in the change processes. One of the basic tenets of action research is the importance of cycles of change and learning by mutual reflections between the researcher and the other actors in the process. Employees know a lot concerning their own situation, and it is important to encourage beneficiary involvement in interventions that affect themselves (Greenwood & Levin, 2007). To achieve long-lasting change in companies, it is important that employees participate in the change processes—the planning, discussion, and decision phases—otherwise it is difficult to implement the suggested changes. From this definition of broad participation, prior literature of different aspects of introducing broad participation is discussed.

It is important that there exist peaceful arenas for dialogue and development where management and unions can collaborate at a workplace (Gustavsen, 1992). In these dialogues, management and unions must understand each other. One way to achieve this understanding is through using Gadamer's (1989 [1960]) concept of "horizons of understanding". Although Gadamer used his concept when interpreting textual data, it could also be used in dialogues where understanding between the

Reorganising the workplace: factors that affect implementation of broad participation dialogue partners is created by “fusions of horizons” (Greenwood & Levin, 2007, pp. 69-73).

Literature on unions, unions’ history, and unions’ strategic choices are important. When management chooses to allow involvement by employees and unions in decision-making, employees must choose to collaborate with management by accepting. Therefore, unions have the choice to fight or collaborate, to box or dance, with management (Huzzard, 2004).

It is important to understand different approaches to decision-making in organisations (Enderud, 1976; March, 1994). To allow employees’ and unions’ involvement in decision-making, management must utilise a special type of creative power. Spinoza’s (2000 [1677]) distinctions of power understood both as “potentia” (power to) and “potestas” (power over), is used to develop an understanding of power both as a creative force (potentia) to inspire people to get things done, and as a brutal force (potestas) to enforce people to obey. Power is a mix of these two positions, consisting of both potentia and potestas (Lukes, 2005).

Elements from Nelson’s and Winter’s (1982) evolutionary theory of economic change is used while discussing the importance of organisational history when introducing broad participation. Routinisation of activity constitutes the most important form of storage of the organisation’s specific operational knowledge. Nelson’s and Winter’s theoretical position that history matters—and that the history must be understood to be able to implement change—is fruitful.

Finally, the Industrial Relations System (Dunlop, 1993) influences the implementation of broad participation. In Norway, its institution HF has long supported initiatives promoting broad participation. The Industrial Relations System

Reorganising the workplace: factors that affect implementation of broad participation and its role in introducing broad participation is discussed in (Emery & Thorsrud, 1976; Gustavsen, 1992; Gustavsen, et al., 2010; Levin, 2002b; Øyum, et al., 2010).

### **1.5 – The broad research question**

The overall research question is what enables or hinders broad participation in companies. The companies in this study had no previous experience utilising broad participation.

This is a Norwegian example, and Norway is supposed to be good at implementing broad participation. According to Gustavsen (1992), it is claimed internationally that it is easy to implement broad participation in Scandinavia because certain conditions are in place. The first condition is that there is a tradition for peaceful collaboration between employees and employers in the Industrial Relations System in Scandinavia. There are also minor differences between the employees and the employers due to a small class gap in Norwegian society, which leads to conditions that are good for promoting broad participation. Hinting that this might be a simplification, Gustavsen calls this the “tourist version” of Scandinavian working life (Gustavsen, 1992, pp. 14-15).

To answer the research question of what enables or hinders implementation of broad participation in companies, the five issues under research will be presented according to the following outline.

### **1.6 – The outline for the dissertation**

The first chapter in this dissertation is the introduction, with a goal of defining what is meant by broad participation and providing an overview of the case study. The case was a change project in a part of Norway with no prior experience in utilising broad participation. Next follows the context chapter, which presents the case and the

Reorganising the workplace: factors that affect implementation of broad participation environment where the change project was conducted. Some of the actions taken by the companies, in addition to reflections by the participants, are presented to illuminate the case, and this data is used in the analysis chapters. The third chapter discusses the relevant literature and develops my theoretical model of the important issues to research when investigating what happens when broad participation is introduced. My five sub-questions conclude the chapter by presenting arguments for the selected ordering of the analysis chapters. In the fourth chapter, data gathering methods and analyses are both presented and argued for. The form and size of the collected data is presented, and the validity of the findings is discussed. Next follows five chapters that hold my analyses of the influence from the Industrial Relations System and its institution HF, the history of collaboration between management and unions, management's choice of inviting the employees to participate in decision-making, the union's choice of participating in the decision-making process, and the collaboration arenas. The tenth and final chapter contains the conclusions of this research, and is followed by references and appendices.

## **Chapter 2 – The change project**

In this chapter, the research setting is presented.

### **2.1 – Introduction**

The goal of this chapter is to present the research context and environment. The change project was conducted in a group of 18 companies with approximately 700 employees. The companies were owned and managed by two local entrepreneurs who were heavily involved in day-to-day operations. The companies didn't have previous practical experience using broad participation before running this change project. The main goal of the change project was to work differently by introducing participation by the employees and unions in enterprise development. The research is based on six years of personal experience as an action researcher in this change project, and the research goal is to understand what enables or hinders introducing of broad participation in these companies.

I have worked as a researcher at the Western Norway Research Institute (WNRI) for more than ten years, participating in regional, national, and international development projects. WNRI employs 30 researchers and is based in a small town in Western Norway with approximately 6000 inhabitants. Previously, I worked for 14 years as a computer engineer: First, four years as a project engineer in the defence industry, and then 10 years as an ICT manager at a power plant. I have been a member of a white-collar union since the beginning of my career, and served as a union leader for four years. This experience developed an interest of how unions can collaborate with management for mutual benefit—one that became a professional interest in 2000.



At regular intervals, both the county council and industry representatives challenge WNRI by asking what we do for the regional companies. In 2000, WNRI developed a strategy for its role in regional industry. One of the strategic paths was to be open to initiatives from industry, with a willingness to focus on issues of importance for industry despite WNRI's lack of prior, in-depth knowledge of the specific field.

At WNRI, my research interest focuses on regional development using collaboration tools like collaborative planning (Healey, 2006), and the "dugnadsmetoden" empowerment model (J. Amdam, 2000; J. Amdam & Amdam, 2000; R. Amdam, 1997, 2010). These tools focus on both the importance of involving local persons in development projects and using bottom-up planning (Friedmann, 1987, 1992). In such processes the goal is to utilise citizens' ideas and desires to promote long-lasting change.

## **2.2 – Background**

### **2.2.1 – The regional context**

The research was performed in a group of companies located on the Western Norwegian coast. The group's head office was situated in an area where the maritime industry is of great importance. The industry in this part of Norway is characterised by entrepreneurship and enthusiasm (Gammelsæter, Bukve, & Løseth, 2004).

Historically, the region and this specific industry are characterised by small class gaps and short distances between managers and employees. Traditionally, support for the union and the Labour Party has been less here than other areas in Norway (Løseth, 2004). Gulowsen (1987) claims that although equality is regulated by law and contract in Norwegian work life, there are still inequalities. In parts of Norway and in some

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business sectors the unions are still weak (Gulowsen, 1987, p. 10). This research is performed in such a region.

The municipality that hosts the group's head office is one of the largest in the region, with 11.500 inhabitants and 5000 employees. Important industries include shipbuilding, oil services, fish breeding, and seafood processing. The shipyard was established in 1949; by being the largest employer in town until 2005, it played a vital role in the community. In the 1970s, the shipyard had 1000 employees. During that decade, oil and gas were discovered offshore close to this region's coast. While the offshore fields produced oil and gas, the services to the fields were supplied from the Bergen area further south on the coast. The region started a purposeful process to supply the fields from this town. One part of this strategy was to lobby politicians that future fields should be supplied from this region; another was to prepare a large base area with deep-water quays to supply oil services. Completed in the early 1980s, this base area was developed in collaboration between the county, the town, and regional industries. In 1987, this region was selected by Parliament to supply the new oil and gas fields off the region's coast, and the supply base was established at the base area previously developed by the region. The activity at the supply base increased, and up to 2003 the development in the region was good; the shipyard, the supply base, and the marine industry all performed well. Then in 2003 the crisis hit town.

### **2.2.2 – Crisis in town**

In 2003, several local companies in the region were downsizing at the same time. What made the situation special was that the problems on the job market involved all the important industries in the municipality simultaneously: The shipyard threatened to close, because it was no longer competitive on the global market. The firms offering services to the oil companies struggled because of less investment

Reorganising the workplace: factors that affect implementation of broad participation offshore due to low oil prizes. In addition, Statoil was negotiating a new contract for the supply base activities in town. The Government decided to close the hospital and the customs station in town. Counting all the employees that could lose their jobs as a result of these problems, 1500 out of a total number of 5000 employees in town were in danger of being unemployed. A lot of writings in the local newspaper illustrate the problems for the town, see appendix A for a complete list of the articles.

This gave rise to concern about the future for the town, and actions were taken at different levels to cope with this challenge. The Government gave the municipality financial support for restructuring its industry, and different measures were taken to promote the restructuring.

### **2.2.3 – The regional initiative from LO and NHO**

As part of the restructuring, the central branches of the Norwegian Confederation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO) got involved and investigated ways of mitigating the crisis. One proposal was to organise participative development projects within and between local companies. It was hoped that this would improve firms' capacities to respond flexibly to new challenges, thereby making them more competitive workplaces. The initiative from LO and NHO forwarded a cause of collaboration between management and unions.

LO and NHO asked WNRI if we had anything to contribute to both support the industry and stop the decline. WNRI's answer was to establish an action research project, and apply for funding of this project from Value Creation 2010, a national research programme. The action researchers would facilitate the dialogue between managers and unions in companies that ran the change project.

The region's industries had no previous experience with this kind of participative development work, and it was hard to find companies willing to give it a

Reorganising the workplace: factors that affect implementation of broad participation try. To tackle this challenge, LO and NHO arranged several meetings where representatives from local companies and unions met researchers and discussed possibilities for joint projects. At these meetings, the companies presented different project ideas to promote broad participation. Although both unions and management met, it was the managers that presented the ideas—with union leaders neither participating in the presentation nor the subsequent discussion. During one of these meetings in February 2004, a group of companies presented an idea for a development project using broad participation. Both managers and unions were present at the meeting, and the union leader took part in the presentation and discussion. After some discussion, the companies agreed to carry out a change project; initially in four of its companies, but later in all 18 companies in the group. The initiative from LO and NHO was agreed upon by managers and union leaders. The project was supported by the CEO of the group, who was the driving force behind running a change project. The companies involved had no previous experience using collaborative processes between managers and unions.

A change project team was established with members from the unions, the managers, and WNRI. The goal for the team was to support the start-up of a change project in the group using broad participation as a method. The CEO in the group was team's leader. He had prior success running a change project that promoted broad employee participation in another company outside the region. For me, this was an opportunity to utilise my interest and knowledge as a union leader in industry. Having experience with other tools to promote participation in regional development, I was curious to test using broad participation in industry as a new way of promoting development—a new tool in my toolbox. This new tool was built on the same principles as the bottom-up development tools, where involvement of those affected

Reorganising the workplace: factors that affect implementation of broad participation by the changes is important. The research project started at the same time as the change project, and action researchers from WNRI took part in the change project from the start.

The prerequisite for the group of companies to take part in a change project was that the project should be done on their own terms. Effort should be taken to solve their problems and restructure their companies – not doing some change activities to please the researchers. This was no idle talk. Early in the project, NHO offered the companies a management course. The next day a manager from the group called and told me that they didn't want to be a part of the project after all, saying that these kinds of courses were of no interest for the companies. After three months of negotiations and meetings they agreed to continue the change project (Hildrum & Strand, 2007, p. 82).

## ***2.3 – The organisation and its characteristics***

### **2.3.1 – Creativity and entrepreneurship**

The group of companies that agreed to run the change project is owned by two local entrepreneurs heavily involved in the day-to-day running of their companies. One of the owners started an electrical appliance business in 1979. The other took over a mechanical engineering workshop in 1981. When he took over, there was no union present in the company. A union leader said that:

“He [the owner] encouraged employees to start a local union, and we did. The employees got a representative in the company's board and still have this today.”

The two owners joined forces in 1985. They decided to try to win contracts offshore, utilising the newly established offshore supply base area in town. Being one of the partners that developed the area, they later bought the entire base area from the other partners.

From the start, the owners knew all employees by name and stopped by and talked to them from time to time. The owners eventually have moved their offices to the group's headquarters at another location, but still often visited the companies' shop floors. An employee said:

“The owner comes by ever so often and says hello to us. He knows what is happening in the company, but he never comments on our work. The formal issues are handled through the managing director. We talk about indifferent subjects with the owner.”

Another employee said that when the owner visits the shop floor, he “speaks matter-of-factly and never discusses formal issues with the workers at the shop floor.”

According to the employees in the two “original” companies, there was less direct dialogue with the employees now than before. Employees that had been with the group from early days missed the direct dialogue with the owners. The employees trusted their owners. “They always keep their words,” said a veteran employee that had worked in the group since the start.

The owners kept the companies running in bad times. According to an employee, there was hardly any activity at the workplace in 1995, but the “owners didn't even mention firing employees. In fact we were at work all summer without doing anything.”

In 2007, the two owners of the group were named as the two most powerful people in the region by the region's newspaper because they are “well-informed,

Reorganising the workplace: factors that affect implementation of broad participation business-minded, and good at strategic planning. They handpick their closest staff members well, and they can count on these employees” (Hjertenes, Marifjæren, & Apneseth, 2007). The owners never give interviews to media. The owners are good network builders: They have good relations to their employees, officials and the elected representatives in the region. An illustration of this is that when a parliamentary bill in 2007 (Olje- og energidepartementet, 2007) proposed that a new oil field off the region’s coast should be supplied by electrical energy through a cable from Mongstad further south, political pressure resulted in a decision from Parliament that demanded to supply the oil field from this region if technically possible. The operators of the oil field resisted this, and after a series of meetings an agreement between the county council and the major Norwegian Oil Company (Statoil) made clear that the oil field would be supplied from Mongstad, but that other technical functions should be moved from Mongstad to this region. A result of this agreement was that Statoil moved its European main pipe rack to this region. Statoil also paid 150 million NOK to build new infrastructure in the area. This led to increased activity in the region and in the group, but the agreement gave also rise to political turbulence in Parliament, as the opposition claimed that this agreement was very favourable for the region and that there could be bribery involved (Sprenger, 2009). The supply base was one of the winners in this deal, and the owners and their networks played an important role in the process of negotiating the deal. This was partly because they were the only ones in the area that had the necessary competence to support the regional politicians in the fight for local growth of oil-related jobs. The group of companies as one is the largest private employer in town.

### 2.3.2 – The companies in the group

The group consists of 18 companies. This is not legally a holding company consisting of a number of subsidiary companies, but 18 companies with their own boards and managing directors. Combined, the group has approximately 700 employees. Individuals are employed in one of the companies in the group, not in the group itself. These companies range in size from three to 300 employees. Each company in the group has different branding, but most use the same colour and recognisable design on their logos. An employee in one company knows little of what happens in other companies in the group. A magazine “News from the group” is published quarterly, which gives information and updates for all of the group’s companies. While the magazine is distributed to some of the employees, they actually read most of their own company’s news from the local newspaper.

The group of companies has a complex structure. Thirteen were established after the two owners started collaborating and are owned on a fifty-fifty basis. The original companies that existed before the owners created the group are still owned fully by their original owners (see figure 1).

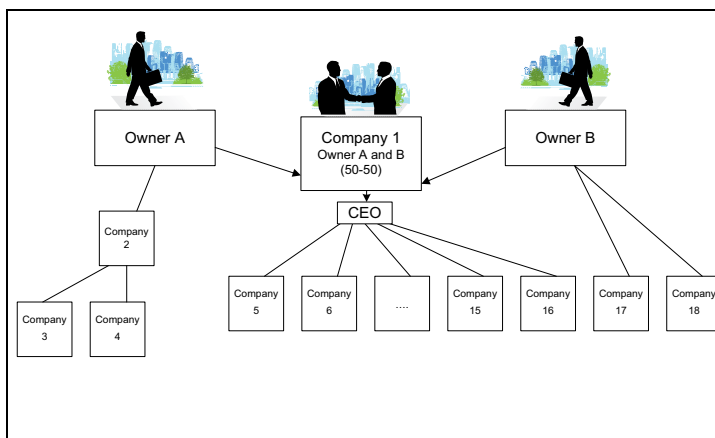


Figure 1: Ownership of the different companies



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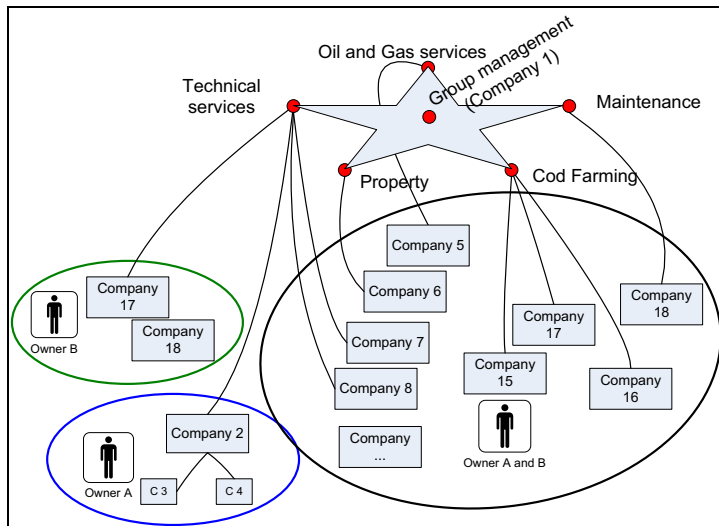
The CEO of the group is the managing director of the investment company that formally owns the 13 companies.

### **2.3.3 – Routines**

At the group level, the owners have chosen to organise functionally. The companies were originally intentionally split according to functional boundaries: Pipers, welders, mechanics, and engineers each were in their own company. The CEO said that:

“In 1985 it was decided that the group should have one company for each profession to avoid competing competences in the group. The two original companies had their skills and none of the new companies should compete with them. With minor exceptions this is still the case today.”

The group has five business areas: technical services, property management, maintenance, cod farming, and oil and gas services. A manager in the group used a starfish metaphor to describe the structure. The five arms represent the five business areas that the group defines as their core business. There is one or more company in each business area (figure 2).



**Figure 2: The group's business areas and ownership structures**

In a way, one could see the starfish as a picture of one company divided in five departments, but this is not the case. There are 18 companies covering the total number of business areas. When customers demand multi-disciplinary projects, this is handled by putting together teams from different companies in the group. Employees from the different companies work side-by-side in these projects, but they have different standard wages. All companies collaborate and buy services from each other. If you need an electrician, call the installation company. If you need a welder, call the Forge. The internal rule is that as long as one of the companies in the group has people with needed skills, then you always buy services from this company: price doesn't matter.

The owners see the group as a number of independent companies. The formal mechanism to handle the group's interest in the independent companies is to ensure that the different boards and managing directors do as they are told. Each of the boards has at least one of the owners as a member. The boards and the managing directors in the companies are formally free to make their own decisions concerning

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their own company, but the important decisions concerning financial and strategic choices are made by the owners and dictated to each company's board. The managing directors in each company then have to implement the board's decisions. This implementation is not always easy because if the owners decide that a new product is needed, it is up to the company to find money to realise it. Rarely does money come from the group's investment company to the various companies. In many cases, this leads to a disconnect between the group's wishes and the ability of each company to implement the decisions. Joint efforts might be decided by the owners, but are often stopped at the implementation stage due to the companies' independence: "Yes, it has been decided to implement this new system—but as long as my company has to pay for the work, I can't afford it."

The important routines of how to act are found in the group's quality assurance system ("Kvalitetssystem – KS"). This is a big issue for the group, and to achieve the necessary certificates to operate offshore, each company has to prove that they have implemented a quality assurance system, and that the operations in the company follow the routines. All companies in the group must follow these routines. Seen from the group's customers, this system works perfectly.

As the companies in the group are formally independent, the implementation of the routines varies from company to company. The decision to implement a shared quality management system was made by the owners and a project was started supervised by the CEO in the group. A quality engineer was dedicated to work full time on the project and was employed by the engineering company in the group. He was responsible for developing an ICT-based quality management support system, and assisting the different companies in implementing quality routines complying with the demands required to be certified. The project was successfully run, and a

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number of companies in the group were approved to work offshore. The companies didn't receive any bills and management in these companies was happy. The investment company, on the CEO's budget, paid the expenditures. After a year, both the engineer and the CEO left the group on their own will. The engineering company offered a new engineer with similar experience to the one who left, and a meeting was held to discuss how to continue the quality management work in the group. During the meeting, all participants agreed on the importance of this function throughout the group. They also agreed that the new engineer was the right person for the job. At the end of the meeting, the engineering company's managing director concluded that while everyone agreed on the importance of the function and that the right person was found, each managing director had to pay for these services on his/her own company's budget. None of the managing directors agreed to this, and the quality assurance support service in the group subsequently shut down. It was still closed one year after the meeting.

Concerning occupational safety and health (HME), most of the companies had implemented the quality system. In other areas like marketing, some companies were following the routines, while others didn't even know such routines existed.

The companies in the group have different attitudes against unions and union's membership in the companies' board. Dependent of the number of employees in a company, Norwegian law ensures employee representation in the company's board. Some of the companies in the group have employees on their boards even though the company is small. Other companies in the group strictly follow the law.

The group is organised as the owners want; according to a manager in the group, this is a demanding structure. Different routines are developed to manage the group. One of the basic rules is that employees are not allowed by the owners to move

Reorganising the workplace: factors that affect implementation of broad participation from one company in the group to another. If you apply for a job in another company in the group, you won't get the job. This is not applicable for management in that key managers might be employed in different companies. When cod farming fell into trouble in 2008, not only was the managing director's job in that company reduced, he also received new tasks in other companies. Different arenas are created by the owners to manage the group.

At a strategic level, the Group Board ("konsernråd") occasionally meets to discuss strategic issues on behalf of the group and individual companies within the group. This Group Board consists of the two owners, their closest employees, and other key personnel from the group. The members change from meeting to meeting. The unions are not part of the Group Board. The decision to start the change project was discussed in the Group Board. Decisions are not made by the Group Board, but by the owners afterwards.

At an operational level, there is a Technical Advisory Board ("teknisk råd") where managers and key personnel from the technical companies meet to discuss joint market efforts and quality management. The chairman of this board is the managing director of the engineering company. The two owners are not part of this board. To illustrate which function this board has in the group, details of its activities are presented. The technical board works with these issues (Leivestad, 2007):

- Marketing
  - Mutual information between the companies
  - Joint marketing, marketing strategies, exhibitions
  - Developing possible multidisciplinary projects in the group
- Quality management

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- Common areas in quality system in the group (level 3 – support functions)
- Mutual information on quality management between the companies
- Matters from the Group Board
  - Following up recommendations from the Group Board, prepare suggestions to the Group Board
- Themes
  - Discuss different themes of interest for each of the companies

By working on these matters, the Technical Advisory Board wishes to develop better conditions for collaboration between the different companies in the group by:

- Improving information exchange between the companies in the group
- Achieving better results if collaborating as a group
- Appearing as a united group
- Making the most out of each other's networks
- Making the most out of each other's knowledge
- Better goal-orienting of marketing efforts
- Avoiding unnecessary parallel work throughout the group
- Exchanging good ideas and best practises
- Performing joint improvement projects

The Technical Advisory Board meets whenever it's required.

Also at the operational level, there are different networks consisting of employees that work within the same discipline but are employed in different companies in the group. These professional networks ("fag-grupper") cover the areas of Human Resource Management (HRM), Occupational Safety and Health (HME),

Reorganising the workplace: factors that affect implementation of broad participation Economy/Finance, Administration, Information and Communication Technology (ICT), and Marketing. The chair in each network is responsible for that discipline in the group. Each company funds activities in these networks.

Representatives from management and unions in all of the companies in the group are members of a Group Working Environment Committee that meets quarterly. The union representatives of the various companies didn't have a tradition of cooperating across company boundaries, except for these meetings in the Working Environment Committee. The group covers a lot of professions, and the main rule is one profession in each company. A result of this is that the metal workers' union has members in one company; the engineers and technologists' union in one company. The union leaders worked primarily in one company and had little knowledge of what the other union leaders in other companies of the group were doing. "The functional split in different companies might be good for management, but are bad for the unions," said a union leader in the group in an interview.

The employees have extensive experience with flexible teamwork cutting across company boundaries, but at the start of the change project there was little cooperation above the level of small teams and there was scarcely any direct interaction between managers and employees. An indicator of this low level of internal communication was the fact that the employees regarded the local newspaper as their main source for information about their own workplace. From the presentation of the group's work at a dialogue conference:

"The local newspaper is where we read news about the company. That is fine, but we need to get information concerning ourselves from management before we read it in the newspaper."

(Strand, Skogseid, & Hildrum, 2004, p. 16)

Indeed, the only arena of regular dialogue between managers and union representatives was a yearly wage-negotiation meeting in each company.

## **2.4 – My role in the companies<sup>2</sup>**

I worked with the companies for six years, having my own office at the group's headquarter for two and a half of those years. I had different roles throughout this period (Hildrum & Strand, 2007) depending both on the requirements in the various phases in the change process and the different companies' needs. At the beginning of the project, there was some distrust and scepticism between the different actors in the project, especially between the companies on one side, and LO, NHO, and the research partners on the other. In this situation my role was a trust builder. Later in the project the actors occasionally lost track of why they were doing a collaboration project between unions and managers; when that happened and the internal actors disagreed on the road ahead, my role was that of a broker and keeper of project boundaries. During dialogue conferences and in other discussions between managers, unions, employees, and researchers, we sometimes ran into communication problems where we didn't understand each other. When this happened, my role was both of an instigator of dialogues and a translator. In the latter phase of the change project, many activities ran in parallel and it was difficult to keep track of the actions and reactions in the various companies. My role at this stage was that of an analyst.

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<sup>2</sup> For a detailed discussion of my roles in the project, see (Hildrum & Strand, 2007).



## **2.5 – Introducing broad participation: actions and changes**

### **2.5.1 – Focus of the change project**

The change project that promoted broad participation was run in collaboration between the group of companies, representatives from the HF secretariat, and a team of action researchers. The two main foci for the change project were to realise the companies' strategic goals to strengthen market orientation, and to develop and utilise new workers' skills through vocational training. In addition, these secondary goals were defined in the application for HF funding:

1. Develop improved communication platforms for the group
2. Increase employee involvement in development work
3. Strengthen collaboration between the companies in the group, and between the group and its environment
4. Develop employee skills to meet new market demands
5. Train all employees in marketing

Midway through the project period, the project owner/mentor (who was also CEO of the 13 companies) quit the group of his own will. The owners appointed a new CEO who inherited the project. He had a slightly different perspective than the first project owner, expressing critical remarks at the first board meeting after being appointed: "This is a huge project, why run it at all?", "If the owners of the group had known what you have been doing, they would have stopped the project immediately", and "Why should I and my company [the investment company] pay for a project that is run in other companies?" The project team thought that these were tough words from the new CEO, and wondered if he, with support from the owners, would

Reorganising the workplace: factors that affect implementation of broad participation terminate the whole change project. This didn't happen, and the change project was run and completed on time according to the original plans.

From 2003-2009, the number of companies in the group increased from 18 to 22, with the total number of employees increasing from approximately 350 to more than 700. The profit margin also increased; most of the group's activities are in the maintenance field, and those jobs were not hit by the world's financial crisis in 2008. After the crisis hit there were some difficulties in financing the group's expansions, but due to increased earnings in the group it seems that this turned out all right.

At the start of the project, the region faced trouble and a lot of jobs were threatened, but the population in the region grew during the project period. The Government closed the hospital and the customs station as planned, but the private companies in the region developed better than expected: instead of firing employees as feared, companies instead hired many new employees. The maritime industry has had good times, and a lot of new vessels were built at the Norwegian shipyard in this period. Activity at the offshore supply base also increased in subsequent years: by 2009, 60 companies with a total of 420 employees were located at the base (Danckertsen, 2009). The group specialised in delivering pipe systems to new ships, and this business area has done very well in recent years. The order books in most of the group companies have been full since 2006. All of these factors shifted the change project's foci: Activities concerning marketing have been less important, while activities on collaboration between companies and employee skill development became more so. The project started by organising different activities, the first of which was conducting a collaboration conference<sup>3</sup>.

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<sup>3</sup> Collaboration conference: Samhandlingskonferanse

## **2.5.2 – The collaboration conference**

None of the companies had prior experience using broad participation in enterprise development. After a discussion with the HF secretary, it was decided to arrange a collaboration conference as a kickoff meeting for the change project. This conference, referenced later as “the Svanøy Meeting”, occurred in October 2004 on the island of Svanøy. Four managers and five union leaders from four of the companies attended to the conference; the two group owners were not present. The conference was run by two members of the HF secretariat in collaboration with two action researchers. At the conference, the audience was introduced to participative enterprise development, the history behind this collaboration, and why LO and NHO promote this type of collaboration at workplaces. The main part of the conference consisted of discussions and group work dealing with:

- Anchoring and organising broad participation (in each company)
- Encouraging more participation from all who work in the company
- Anchoring and organising broad participation in the larger group
- Developing routines for collaboration between management and unions in the group
- Developing a first sketch of an “Alliance of Unions” in the group

This was the first time that managers and union leaders met “privately” to discuss their own company, and the first time union leaders from different companies in the group met to discuss matters of common interest. After this first conference on a group level, the change project started the dialogue in each company. Participant feedback was all positive, with union leaders calling attention to the importance of meeting union leaders in the other companies, and management pointing to the

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importance of creating a better understanding of the companies' situation among the union leaders. Both management and union representatives said that this meeting created enthusiasm for further work with broad participation.

### **2.5.3 – Dialogue conferences and dialogue meetings**

The broader dialogue between managers and employees in each company started with either a dialogue conference or a dialogue meeting. All company employees were invited to participate. Over the course of the project, the project team organised eight dialogue conferences: one in each of the largest company, and two joint conferences for all union leaders in the group. A dialogue conference consists of a series of dialogues between the participants, who iterate between small parallel discussion groups and short plenary sessions, where the main points from the group discussions are reported (Pålshaugen, 1998). Action researchers were the organisers of the conferences. In the smaller companies in the group—with three to ten employees—dialogue meetings between the manager and the union leader were arranged instead of dialogue conferences. While all employees were also invited to take part in these meetings, only the managing director and the union leader took part in the small companies.

Dialogues were important both at the conferences and at the meetings. In both cases, trained action researchers prepared for the dialogue. The agreed results of the dialogue, the action plans, were not pre-planned by the researchers. Researchers dealt with the dialogue, not the outcome of the dialogue. The researchers wrote reports on the results agreed upon at the conference. These reports were sent to all participants for content and quality check before a final report was made taking into account the feedbacks. The discussion and dialogue between management and all the employees

Reorganising the workplace: factors that affect implementation of broad participation in the company created change arenas in the companies and potentially an atmosphere for collaboration between management and employees.

The result from a dialogue conference/dialogue meeting was an agreement by the participants on what to change in the company. This action list contained the agreed issues to start working with. The management or the board in the company decided which part of the proposed actions that they wanted to implement, and a change project was launched in the company. A project team was then set up with the responsibility to conduct the change project. Researchers took part in several of these change projects. The results from the project were reported to the project team at the group level. Reflections on the achieved results were performed at a company level, at the group level, and across the group and company levels.

By participating in a dialogue conference, employees, unions, and managers met to discuss and agree upon the company's challenges and which of the challenges to prioritise. The dialogue was important being a first step to broaden the participation by employees in enterprise development. Examples of concrete actions and results achieved as a result of the action plans agreed in the dialogue follow. The presented examples of successes and failures are chosen from the activities run in the companies. The first example is the creation of an alliance of unions in the group. The second example is the joint effort between managers and unions to emphasise vocational training. In the third example the focus is the Sofa bought in the Laboratory, and the fourth example is the introduction of Friday coffee in the Forge.

#### **2.5.4 – Alliance of unions**

Before the starting the change project, management in the different companies met with both the Group Board and at the Technical Advisory Board. Management and unions met formally at the Group Working Environment Committee. The union

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leaders in the group never met discussing matters of common interest prior to the change project's start. One of the outcomes from the Svanøy meeting was to establish an alliance of unions in the group to create an arena where union leaders in the different companies could meet. The goal was to create an arena where the union leaders in each company of the group met regularly and discussed matters of common interest. After the Svanøy meeting, this idea was discussed at the unions in the different companies in the group and they all agreed to give it a try.

The alliance of unions was established 11<sup>th</sup> February 2005. The union leaders from nine of the companies were present, representing both blue- and white-collar unions. The objective of the new organisation was approved 15<sup>th</sup> April 2005 and is to:

- Contribute to a better dialogue with management and to promote broader participation by employees in the group (target: management)
- Contribute to develop and to secure the jobs, and to strengthen the group's identity (target: management)
- Be a forum for union leaders in the group (target: among union leaders)

The work in the alliance of unions doesn't override local agreements between union and management in the different companies and as a consequence the union doesn't work with these matters:

- Human Resource Management (HRM)
- Tariff regulations in each company
- The unions' work in their own companies
- How the different companies in the group are organised

Foci for the alliance of unions are:

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- Be constructive – be positive and creative
- Increase unions' formal representation
  - In Technical Advisory Board
  - In each company's board
- Conduct a survey on the employees' competence
- Encourage information sharing and dialogue between union leaders in the group across companies' boundaries
  - On pension schemes, social benefits, collective benefits
- Build motivation by employees to participate in enterprise development
- Create a discussion arena for enterprise development projects
  - How to contribute in change projects?
  - What is the union leader's role in change projects?

The alliance of unions has been active from 2005 to this day (2010), and will probably continue its work in the future. The alliance of unions had its meeting the same day as the Group Working Environment Committee to minimise travelling costs. When reflecting with the union leaders in the group on the outcome of the work in the alliance of unions, they pointed to the fact that working together on matters of common interest was important. Learning how a union in one company took part in enterprise development inspired unions in other companies to take part in developing their company the same way. By working together, the union leaders learned more about how to contribute to enterprise development. They also considered the achieved representation in the Technical Advisory Board as important. One union leader emphasised that by collaborating, the unions are far better off than before because the group's way of organising its companies was fatal to the union's work. The union

Reorganising the workplace: factors that affect implementation of broad participation collaboration that was established made it easier to be a union leader in a group of functional organised companies, as union leaders from the different companies now had a place to meet and exchange information on local agreements in other companies in the group. When discussing the alliance of unions with the CEO after the project ended, his conclusion was that its creation was one of the most important results from the change project:

“To build ties to the employees is important, especially now because it seems that we meet harder times. Good collaboration with the employees is important so that they understand the necessity in our demands for rationalisation, marketing, and organisational change. A crucial point for me is what happens with the alliance of unions in the future. May be they can help negotiating common agreements between unions and management in the different companies in the group. Today the companies have their own agreements and this lead to difficulties when employees from more than one company in the group work side by side in multidisciplinary projects. The alliance of unions is established as part of the change project. My opinion is that the alliance of unions should continue their work after the project ends, but with a more concrete mandate.”

### **2.5.5 – Vocational training**

An important element in the action plan in several companies was to train the employees to develop new skills. The goal for many of the companies was that all employees should pass a formal exam, “fagbrev”, showing their qualifications as skilled workers. Especially for those companies in the group that were suppliers to the oil and gas industry it was important to show that all employees were skilled workers.



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In general, non-skilled workers are not accepted offshore. Skilled workers are better paid than non-skilled. An employee who worked as a piper for twenty years is a very competent worker, but without passing the exam she is not accepted as a skilled worker. There are many examples of these kinds of competent employees in the group. Throughout the years, management encouraged these workers to complete the formal exam, but few actually tried. One of the focus areas for the change project was to utilise the new collaboration between management and unions to change employee attitudes on this matter.

In Norway, there are two ways to qualify to become a skilled worker. The first way is to go through the regular education system. By attending a two-year vocational secondary education programme, and then two years fulfilling an apprentice contract, one is qualified to take the exam. The other way to qualify is through the Norwegian concept of “realkompetanse”, referring to all formal and informal learning an employee has acquired during her career. You can be accepted for the exam by the sum of the overall skills and knowledge acquired not only through the education system, but also with paid and unpaid work, organisational activities, family life, and life in society. The local secondary school compiles documentation of the employees’ learning in these areas. The official Norwegian term that is used to describe this method could be translated into English by “documentation and validation of formal, non-formal and informal learning outcomes” (VOX, 2010). When helping company employees get accepted to take the exam, this latter method was used. Collecting documentation of employees’ competence and motivation of the employees were the first issues to deal with.

Prior to the change project start, management asked employees if they were interested in qualifying to be skilled workers on various occasions. The argument was

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that it was important both for the companies that most of the workers are skilled, and for the employees—as skilled workers are better paid compared to those who don't complete the exam. As part of the change project, a system for encouraging employees to qualify was developed in collaboration between management and the unions. The first task selected was to find a volunteer employee who had worked in a company in the group for a while and who wanted to take the exam. The union leader at the Forge volunteered. A next step was to find out how to apply. The secondary school was contacted by the change project that asked for a meeting discussing the validating process, stressing that this was an important matter for the group of companies. For the school, this was an unusual meeting. Government had just recently decided that vocational training for adults was the secondary schools' responsibility. Validating adults who apply to be skilled workers was a new task for the school, and to determine how to do it was difficult. After the meeting—and a lot of follow-up from change project staff—an application routine was agreed upon by the school, management and the unions: First, the employer asked her superior for permission to apply. Then she collected all her certificates and diplomas, in addition to documenting her work experience. These papers were then brought to management's member of the change project, who helped the employee complete the application and scanned copies of all necessary papers. The application and attachments were then sent to the school for validation. The application was then followed up by the change project, and the result of the validation was announced through the group's intranet. Unions in each company motivated their members to apply through union meeting and personal dialogue.

The result of this collaboration between management, unions, and the secondary school in town was that the number of employees who qualified for the

Reorganising the workplace: factors that affect implementation of broad participation skilled worker exam increased. Especially in the Forge, many employees passed the exam. Two employees, who previously refused to apply, told their union leader that the reason was due to special needs (dyslexia). They subsequently applied on special conditions, and both passed their exams. The collaboration between unions, managers, and the school created a win-win situation: The employees were approved as skilled workers and received higher pay, the companies increased their number of skilled workers and were better off competing contracts offshore, and the secondary school was able to serve its local community well. In the final report from the change project the group emphasised this by stating that:

“The project has contributed to a better understanding among the employees of the importance of vocational training. The need for collaboration between management and union leaders to motivate employees to carry out adult education has been made visible during the project. There are now an understanding at all levels in the companies that development of skills is important for the employees but also for the companies to survive and be competitive in the future.”

In a discussion of the results achieved during the change project, the CEO said that the “results that are achieved when it comes to vocational training is very positive.”

### **2.5.6 – The Sofa: ideas from the Laboratory**

One of the newest companies in the group was a highly specialised company supporting the marine industry in the area. The company has nine employees and is called the Laboratory for the rest of this dissertation. The challenge for the company was that it lost money; management started discussing how to earn more money. One of the strategies was to increase the number of customers, but how should this be done

Reorganising the workplace: factors that affect implementation of broad participation in a company where all the employees—including the managing director—were busy taking part in actual production tasks for most of the day?

Management, with support from the change project, arranged a dialogue conference to discuss this challenge. All employees and management participated in the conference. The outcome was an agreed action plan stating that everyone should contribute to marketing. A list of potential new customers was compiled, and all employees were responsible to phone a number of customers during their spare time. To follow up with this work, it was decided that all employees should meet daily at 9 o'clock to discuss the achieved marketing results. A red Sofa was bought, and the meetings took place as planned. The agenda for the meetings gradually changed until one day this was turned into a planning meeting for the day's work. Now, all employees meet at the Sofa at 9 o'clock every morning to plan the days' work. They discuss production challenges— solving most of the problems around the table—and new opportunities for future projects. Even if the workload is high, they always meet at 9.

The result of this was that the company started earning money. Contracts were written with new customers, and the old customers remained. New business alliances have been developed, and the company has a motivated workforce. From the final report from the change project:

“The company has carried out marketing activities that have resulted in a substantial strengthening of the company's market position. ... The company has experienced that when the company needs to increase its market, involving all employees and distribute the responsibility for the marketing activities gives good results.”

### **2.5.7 – Friday coffee and bench-moving: ideas from the Forge**

The Forge is one of the two founding companies in the group, established before the group was created. The company has 30 employees and offered technical services both to shipyards and to the oil and gas industry onshore and offshore. The union has a member on the board. When running the dialogue conference in this company an employee raised the issue of a too large a gap between management and employees. The shop floor was situated in its own building, with management located in another building 25 metres away. The problem statement was that:

“We never see the managing director nor discuss matters of common interest with management. This is a problem for us on the shop floor, feeling uncomfortable with this way of running the company. Why couldn't we meet on the shop floor and drink coffee from time to time? Maybe every Friday?”

At the conference it was agreed to give this suggestion a try and it was put on the action list. Another suggestion also had to do with the gap between management and employees. During summer, both employees and managers ate their lunch outdoors. The company purchased two groups of benches where people could eat their lunch; one outside the management building, and another outside the forge. The suggestion from the employees was to move these benches together so that both groups could meet at lunchtime. This was also put on the action list at the dialogue conference. It is important to note that employees initiated both of these issues.

While talking with the employees after the conference, some mentioned a gap between management and employees. If an employee walked too often over to the management house, her fellow employees didn't appreciate it. Most employees were members of the union. At the first annual meeting after the change project started, the

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long-time union leader was not re-elected. No one wanted to take his place, but eventually a new leader was elected.

When discussing this gap with the managing director, he said he was positive to broad participation. However, when agreed actions needed to be done he failed to implement them, saying that this was due both to a heavy workload and he couldn't prioritise this activity because the company was negotiating a lot of new contracts at the time. This heavy workload was also the reason why he had been present less than expected at the shop floor. Another reason was that the administration was small and of all the duties, talking with employees was not prioritised. Management eventually decided to inform employees better both through monthly meetings with all personnel, and a newsletter handed out with the salary slip every second month.

There has neither been Friday coffee with the managing director, nor moving of benches in the company. Concerning implementation of broad participation in the Forge, the achieved results were poor. The employees said that this was because the managing director didn't care, and the managing director said that this was because of a heavy workload in a company with a small administrative staff.



## **Chapter 3 – Enabling broad participation: theoretical considerations**

In this dissertation companies play an important role, as the research is a case study with examples from two companies. A company is an organisation established for a specific purpose. One way to study companies is to study them as systems, and this is the starting point for my theoretical considerations.

### **3.1 – Organisations as systems**

When studying phenomena in nature it is important to limit the study, because otherwise the number of study objects is almost infinite. This might be done by isolating the study object and its natural environment from the “real world”; by creating a system that it is possible to investigate. In principle, all nature could then be studied as a finite number of systems. The idea of representing society as a number of systems comes from a biological school of thought (van Bertalanffy, 1969).

In general, systems might be either open or closed. A closed system has no interaction across its boundaries. Biological systems are often handled as closed systems, because this gives researchers less parameters to study. In the social sciences, systems are seen as open, interacting with their environment (Emery & Trist, 1969; D. Katz & Kahn, 1969; Trist, 1981). Societal systems are socially constructed, in contrast to the biological systems that are seen as made by nature with manmade boundaries. That means that when researching organisations, it is important to understand different interpretations on how to look at an organisation, and which of the elements in an organisation to emphasise when looking into it. One definition of an organisation is that they are “systems of coordinate actions among individuals and



Reorganising the workplace: factors that affect implementation of broad participation groups whose preferences, information, or knowledge differ” (March & Simon, 1993, p. 2).

One way to study an organisation and its system is by understanding its organisational chart, which represents a snapshot of the organisation as it wishes to present itself. The chart is often drawn with the board and the managing director on top, and departments and their managers underneath in a tree structure—overall illustrating visible systems in an organisation. The result is that an organisation usually is presented as a hierarchical system (Weber, 2000) with the board at the top and the shop floor workers at the bottom. The organisation is often split in functional departments that represent subsystems. The manager on top of the department is responsible for all the employees, and they are all reporting to her.

In a hierarchical organisation, experts might be working in the same field but organised in different departments, and thus reporting to different managers. The result is an ineffective organisation. An alternative is to use a matrix-organisation style, where employees with the same type of competence are gathered in a resource pool (Galbraith, 1971). People are pulled out of the resource pool when their services are needed to solve concrete tasks, ensuring that the experts are available to the whole organisation, not just to one department.

Looking at the shop floor in an organisation, Taylor (1911) advocates that work to be done should be scientifically analysed and split into a number of standardised operations. Each employee is trained in a few of these operations, repeating them over and over during the day. Another way to organise a shop floor is to split operations in larger parts, and give a number of employees the responsibility to produce the goods. Each group worker is trained in several work operations, and

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she could switch between these operations throughout the day. This is known as organising work in semi-autonomous groups (Herbst, 1976).

Lysgaard (1961) defines the technological and administrative systems in a company as the primary systems in an organisation. Without these, there will be no organisation. In addition, there are secondary systems dependent on the primary systems. One of these secondary systems is the union, which is created to organise the employees to achieve common goals by collaborating and negotiating with both management and the board. The union is a formal system with its known members and leaders. Another secondary system is the workers' collective system (Lysgaard, 1961). This collective tries to solve the subordinates' dilemma: The need for continuous membership in the technological and administrative system, while also meeting a need to be protected from this system. The workers' collective system is a barricade, a buffer, against the company (Lysgaard, 1961, p. 209). The workers' collective system is an informal system consisting of employees who protect their interests against the employers. The union legitimises the workers' collective system by giving it approval and social cogency (Lysgaard, 1961, p. 125). As the times goes by, the collective creates norms that demand that a good employee should not have too close a collaboration with management—no closer than necessary. The collective controls the interaction between management and employees, and ensures that the gap between management and employees is maintained. Members of the collective ensure that workers don't work too quickly, and that employees don't collaborate too closely with management (Lysgaard, 1961, pp. 219-220). The different systems in the organisation play various roles in these enterprise development processes.

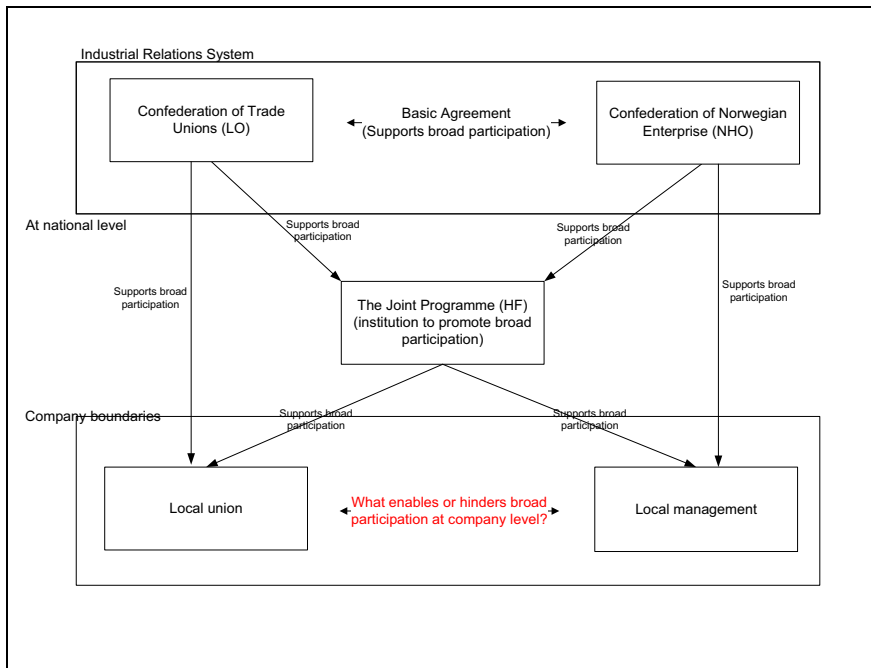
In order to understand the role each system plays in the whole, it is important to understand development processes in a company, and how organisations both

Reorganising the workplace: factors that affect implementation of broad participation change and learn (Argyris & Schön, 1996; Boonstra & Bennebroek Gravenhorst, 1998; Levin & Klev, 2002). The interplay between management and unions is the relationship between two formal systems at a micro level. In addition, there is interplay between the informal workers' collective system and the two formal systems. Therefore, collaboration between management and unions at a company level is only a part of the broader relationships between these partners.

### **3.2 – Industrial systems in action**

According to Dunlop (1993), “The rules and practices of the work place are developed by the interaction of managers, workers and their organisations, and government agencies in an environment of technology, labor, and product markets, and government regulations” (Dunlop, 1993, p. 8). He defines this as the Industrial Relations System, which tends to develop a common understanding by the actors that helps to bind the system together. The Norwegian Industrial Relations System between unions, employers, and government consists of relations at the local, regional and national level. In the Norwegian industrial democracy tradition, dialogue and interaction between different stakeholders in the organisation is crucial (Gustavsen, 1992). The agreement between unions and employers on wages and working conditions is named the Basic Agreement (Confederation of Norwegian Enterprise (NHO) & (LO), 2006). One of the aims of this agreement is to promote industrial democracy both through electing union members to the companies' boards, and through unions taking part in the companies' organisational development. This agreement is valid both at the national and company (subsystem) level. As actors in the national Industrial Relations System, both unions and employers support implementing broad participation (see figure 3). However, this national support doesn't always lead to results at a company level.

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**Figure 3: What enables or hinders broad participation at the company level?**

The top of the figure shows the Industrial Relations System with national actors who all support broad participation: the Confederation of Trade Unions and the Confederation of Norwegian Enterprise, supporting broad participation through their Basic Agreement. This support is institutionalised by the Joint Programme (HF), which supports initiatives to implement broad participation in Norwegian industry. The bottom of the figure shows the company, with its local union and local management. Change projects to promote broad participation are supported from LO and NHO, and funded by their institution HF. This support is shown as lines that feed into the local union and local management, respectively. While everyone supports broad participation at a company level, but implementation could still fail. What enables or hinders implementation at a company level?

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The goal at the company level is to promote broader employee participation in development processes and decision-making. In the companies, two goals include industrial democracy and better performance. When management and workers are able to develop their own linguistic reasoning, they can approach problems and challenges on their own. Matters of common interest for employers and employees are discussed, negotiated and agreed upon. In Norway, agreements on working conditions and wages are mainly an issue at a national level, but parts of the wages and working conditions are negotiated at the company level. As mentioned before, there are both formal and informal systems occurring in a company. Negotiations on wages and working conditions are between the two formal systems at the workplace (the technical and administrative systems) and the union. In addition, the workers' collective system is also in action. This system is "unknown" to the formal system between management and unions, but could cause challenges for the two formal systems by influencing the formal dialogue between management and unions.

In Norway, a national collaboration institution with equal members from employers and employees, called the Joint Programme (HF), is part of the Industrial Relations System. For a long time, HF supported enterprise development projects in companies that started according to the Basic Agreement. The Norwegian Government states in a white paper to the Norwegian Parliament in 2008 that this collaboration results in "comprehensive innovation, productivity growth, and inclusion" (NHD, 2008, p. 22). The relations between employees and employers on enterprise development influence the way decisions are made by promoting employee participation throughout the decision-making process. Next follows a presentation and discussion of the different theories of decision-making.

### **3.3 – Decision-making**

In a hierarchical organisation, the decision structure theoretically follows the command lines in the hierarchy, but looking at real organisations this is not often the case. A hierarchical structure does not imply that decisions follow the given command lines (March & Simon, 1993). People placed in different parts of the hierarchy talk together, and ask each other for advice on special decisions. People also know each other outside of work. The result is that it is difficult to draw a detailed picture of the decision structure in a company. The hierarchical organisation chart represents how decisions should be made in theory, but in fact the way the organisation works could be different. This is in line with Argyris and Schön (1996), who claim that organisations are a holding environment for knowledge and that there are differences between how organisations work and how members of the organisation claim the organisation works. The organisational knowledge may be represented as systems of beliefs that underline action, as prototypes on which actions are derived upon. This knowledge is called theories of action by Argyris and Schön (1996), and consists of two different types. The first theory of action is the espoused theory in an organisation. This theory is advanced to explain or justify a given pattern of activity: “This is how we do it in this company.” The second theory is the theory-in-use that is found implicit in the way activity is performed in the organisation: The way things are done in the company, according to the observer. This last type has to be interpreted based on the observed actions (Argyris & Schön, 1996, pp. 12-13).

There are two main categories of decision-making theories: The normative neo-classical model that is based on rational choice theory (Little, 1991, p. 39); and the behavioural model that is based on studies of how decisions are made in

Reorganising the workplace: factors that affect implementation of broad participation organisations. To explain how decisions are made, these theories are important (Enderud, 1976; March, 1994).

The neo-classical model is based on theoretical considerations of how decisions should be made. According to this model, people make intentional decisions based on their rational beliefs (Elster, 2007, p. 191). The best decision is the decision that gives the largest expected return based on all possible alternatives. A rational decision maker must (Enderud, 1976, p. 15):

- Have a stable and clear purpose
- Know all alternatives and their consequences
- Optimise and maximise his/her goals and have enough money to act

The essential feature of this decision model is that you don't give in because the norm is difficult to achieve, but try to come as close to the norm as possible (March, 1994, p. 5). This model is logically deductive, because the goal is to find ways to make decisions in accordance with the ideal model (Enderud, 1976, pp. 14-15).

A model of a decision-making process according to rational choice theory consists of seven phases: definition of goals, recognition of problem, search for alternatives, consequence analysis, choice, action, and control (Enderud, 1976, pp. 10-12). Not all of the phases are present in all decision-making processes, and the numerical order of the phases may vary. March's (1994) critique of this theory is that people don't act like this; they are not searching for all possible alternatives, instead searching until they find a satisfying alternative. The ideal might be a rational choice, but in real life it is this bounded or limited rationality that counts and are used in the actual decision-making process (March, 1994, pp. 18-21). The norm is a rational organisation with a given decision structure based on the company's maximisation model (Nelson & Winter, 1982), but due to the bounded rationality of their members this is not the case.

Behavioural decision-making models are based on how real decisions are made, in contrast with models from the neo-classical tradition that tells how decisions theoretically should be done. The main aspect of behavioural models is to describe and analyse both the decision process and the results of the decision. A behavioural theory is mainly inductive, because it is a strategy where observations are used to construct theories that explain and predicts how real decisions are made. Even if the result is a constructed theory, why not ground the theory in how decisions are made in real life (Enderud, 1976, pp. 16-17)?

According to Nelson and Winter (1982), it is complicated to investigate and understand what happens in an organisation when events occur. A possible action that otherwise is sensible—both for the organisation and the member taking it—may be rejected. Two reasons include if the action is likely to be interpreted as “provocative”, and whether the member is willing to risk conflict for the sake of modifying the way to act in a manner favoured by the member who initiates the change. Adaptations that appear “obvious” and “easy” to an external observer may be foreclosed, because they involve a perceived threat to the internal political equilibrium (Nelson & Winter, 1982). This equilibrium stabilises the organisation, and gives the organisation a history of what to do in different situations. This equilibrium changes over time, but the changes are incremental and could metamorphically be seen as a type of organisational evolution. The next chapter presents evolutionary organisational theory that states that organisations have a history, and that organisations are hard to change.

### **3.4 – Organisations have a history**

In the natural sciences, Darwin (2006 [1859]), states that evolution occurs; species of life have evolved over time from common ancestors through the process he calls natural selection. With this as a reference, organisational theorists Nelson and



Winter have developed the evolutionary organisational theory. In this theory, they apply Darwin's concepts of "variation, replication and selection to the evolution of firms" (Hodgson & Knudsen, 2004, p. 281), using Darwin's language as a metaphor to explain organisations and organisational behaviour over time. By observing how organisations work and how they develop, Nelson and Winter (1982) conceptualise organisations as being typically much better at the tasks of self-maintenance in a constant environment, than they are at major change, and much better at changing in the direction of "more of the same", than they are at any other kind of change. Nelson and Winter see routines in an organisation as the analogue to genes in biology. They define routines as a general term for "all regular and predictable behavioral patterns of firms" (Nelson & Winter, 1982, p. 14). According to Nelson and Winter, companies may be expected to behave in the future according to the routines they have employed in the past. The menu is not broad, but narrow and idiosyncratic; it is built into the firm's routines, and most of the "choosing" is also accomplished automatically by those routines. Further, firms may be expected to behave in the future in ways that resemble the behaviour that would be produced if they simply followed their routines of the past (Nelson & Winter, 1982, p. 134). The routines, organisations, and organisational forms that we observe today are outcomes of a long-running evolutionary process (Aldrich & Ruef, 2006). These routines stabilise the organisation, ensuring that members act according to the company rules.

In this evolutionary model, all regular and predictable behaviour patterns of firms are defined as "routine". According to Nelson and Winter (1982), these routines metaphoric play the role that genes play in biological evolutionary theory where the hereditary materials are stored in the genes of living species. A child inherits the genes from her parents. Over a long period of time, small changes in the genes lead to

lasting changes of the species, and an evolution has occurred. Evolution can be studied by investigating the genes of humans. Routines act in the same way in that the organisation and its development can be studied by looking at the changes in the organisation's routines. Like the genes hold the inherited material for species, the routines hold the inherited materials on how to act. These routines are collected from the organisation's start and until it dies. The phrase routine also includes the relatively constant dispositions and strategic heuristics that shapes the approach of a firm to the non-routine problems it faces. Three interpretations of the term routine have been proposed: routines as behavioural regularities, cognitive regularities, and propensities (Becker, 2004). First, many analysts use the term to indicate recurrent patterns of interaction between members, emphasising the collective and observable nature of routines (Nelson & Winter, 1982). Second, others treat routines as cognitive regularities, such as rules and standard operating procedures that members follow when they work and interact (March & Simon, 1993). Third, in a departure from the first two uses, Hodgson and Knudsen (2004) describe routines as propensities that can trigger behavioural and cognitive regularities, thus emphasising their problematic nature (Aldrich & Ruef, 2006, p. 29).

Theorists examining evolution inside organisations have focused on the differential survival of strategic initiatives (Burgelman & Mittman, 1994), job roles (Miner, 1991), and administrative rules (March, Schulz, & Zhou, 2000). The behaviour of an organisation is, in a limited but important sense, reducible to the behaviour of the individuals who are members of the organisation. Nelson and Winter propose that individual skills are the analogue of organisational routines, and that an understanding of the role that routinisation plays in organisational functioning is therefore obtainable by considering the role of skills in individual functioning, but

Reorganising the workplace: factors that affect implementation of broad participation (Dosi, Nelson, & Winter, 2001) claim there is a difference between individuals and their skills, and the organisation and its routines. A skilled operator, new to a company, has to learn how to operate a familiar machine in an unfamiliar organisation. In this learning process, it is important that the new employee has skills, but in order to operate the machine according to the new organisation's routines, she also must learn to act in relation to her new colleagues. That is why organisational routines are different than the sum of the employees' skills (Dosi, et al., 2001, pp. 4-5). Hodgson and Knudsen (2004) use the concepts of habits and routines to explain replication in organisations. While routines relate to groups or organisations, habits relate to individuals (Dosi, et al., 2001, p. 5). Habits are not used all the time and thus don't mean behaviour, but are repertoires of potential behaviour. It is a natural tendency to behave in a certain way in given situations. Habits don't replicate directly by making a copy of itself like replication of human genes. Habits replicate indirectly by means of behavioural expressions. Habits can impel behaviour that consciously or unconsciously is followed by others as a result of constraints, conventions, incentives, or imitations. The "maintenance of customs involves the replication of habits" (Hodgson & Knudsen, 2004, p. 287) is a Lamarckian type of evolution. According to the Lamarckian evolutionary theory, characteristics that organisms develop during their lifetime are inherited by their offspring ("Jean-Baptiste Lamarck," 2010). In biology, Darwin proved this theory incorrect (2006 [1859]). However, in evolutionary organisational theory Lamarck's theory makes sense—in that organisations are seen as inheriting its acquired characteristics. The way organisations have decided to solve problems involve the replication of habits, but as there exists both codified and tacit knowledge (Polanyi, 1966), there always will be an imperfect copy of each habit when transmitting from individual to individual inside the organisation (Hodgson &

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Knudsen, 2004, pp. 286-287). The copied behaviour from a member of the organisation to her follower becomes rooted in the new member's habits. This is a source of variation in the evolutionary process (Hodgson & Knudsen, 2004, p. 291), and a consequence of this is that introduction of new people in an organisation always will lead to some change.

Nelson and Winter claim that the routinisation of activity in an organisation constitutes the most important form of storage of the organisation's specific operational knowledge. Basically, they claim that organisations remember by doing – although there are some important qualifications and elaborations (Nelson & Winter, 1982). Routines represent these stored behavioural capacities or capabilities, and involve knowledge and memory (Hodgson & Knudsen, 2004, p. 290). According to Nelson and Winter (1982), systematic understanding of the events that take place within individual business firms never has been a high-priority objective on most economists' research agendas. That there are real organisations that actually do all these things more or less simultaneously is a fact that recedes into the background until it virtually disappears from view (Nelson & Winter, 1982, p. 51).

The organisational routines stabilise the organisation, and are difficult to change—but change is possible. When enabling broad participation in an organisation, these routines have to change. In the next chapter, thoughts of how these changes could be performed are presented and discussed.

### **3.5 – Organisational change**

According to Klev and Levin (2009), organisations change all the time. External forces have a great influence on how organisational changes occur, but organisations can do better than to make passively changes based on the environment (Klev & Levin, 2009). There are different actors in the decision process in

Reorganising the workplace: factors that affect implementation of broad participation organisations. Dealing with broad participation, both employers and employees are part of the decision structure. Organisational development is an integrated part of the Norwegian work life, and collaboration with researchers has been a key factor. The Industrial Democracy programme in the 1960s was initiated by Einar Thorsrud. Action researchers were part of the programme from the start (Thorsrud & Emery, 1964, 1970) facilitating broad participation. In the succeeding research programmes “Enterprise Development 2000” (ED2000), “Value Creation 2010” (VC 2010), and “Programme for Regional R&D and Innovation” (VRI), action researchers still play an active role in promoting broad participation in industry through facilitating organisational development (Finsrud, 2009; Gustavsen, et al., 2010; Levin, 2002b).

Organisational changes are changing of the organisational routines in the company. These routines are hard to change. The change process should involve all employees to ensure that all the relevant knowledge in the organisation is retrieved and used (Cummings & Worley, 2008; Levin & Klev, 2002, pp. 16-17). This involvement is important and implies participation, but this participation is not enough to ensure change. To be able to implement change in the organisational routines, management and unions have to change the power structure in the company.

### **3.6 – Power and change**

The previous chapter concluded that power is an important element for changing organisational routines. To be able to establish and standardise a routine, those who create and decide the routine must have the power to say: this is how it shall be done in our organisation. That means that to be able to understand how routines are defined and how they are maintained, theories of power are relevant, because power is a way to control the decision-making process of what routines should look like. Enderud (1976) sees decision theory as a starting point when

Reorganising the workplace: factors that affect implementation of broad participation researching control in a systematic way. According to Enderud, it is important to consider the information and the alternatives that are available before the decision is taken (the input), and the process when the decision is taken (the process part). For some stakeholders, power in the decision process has a value of its own, as the result of the process (the decision) will normally be strongly influenced by both the input to the decision process and in the manner the process runs. Enderud claims that the more resources of power the stakeholder has, the more possibilities she has to decide the final result (Enderud, 1976, p. 203). Both in neo-classical and in evolutionary organisation theory, decision-making processes and power are related issues: Theories of power are relevant, because power is a method to control the decision-making process and its results.

The power dynamics in a company can be crucial to the way change is handled in the organisation (Boonstra & Bennebroek Gravenhorst, 1998). The power dynamics can be used to support the process, or to hinder it. Change processes require collaboration, dialogue, and an appreciation of the interests of all involved stakeholders. When broad participation is introduced, this will change the decision structure in the companies. Broad participation will lead to employees taking part in decisions, and management could see this as loss of their own power. This change will result in change in the power structure in the firm. The change in power structure could be resisted by the ones with power in the sense that having power can be seen as having power over others. Potestas or “power over” is used when speaking of being in power of another (Lukes, 2005; Spinoza, 2000 [1677], pp. 37-47).

### **3.6.1 – Power as “potestas”**

Power as potestas means looking at cases where an agent or agents have power over other actors. To have such power is to be able to constrain other actors’ choices,

Reorganising the workplace: factors that affect implementation of broad participation thereby securing their compliance. Lukes (1974) limits his interest, definition, and discussions of power to potestas. He states that there are three dimensions of power; three perspectives of power as potestas:

The one-dimensional view is based on Dahl's (1969 [1957]) definition of power. Dahl sees power as a relationship among people, and his definition of power is that "A has power over B to the extent that he can get B to do something that B would not otherwise do" (Dahl, 1969 [1957], p. 80). According to Lukes, the first statement refers to A's capacity, while the second specifies a successful attempt. To study power according to this view is the study of "concrete, observable *behaviour*", where there is an observable conflict of interests (Lukes, 1974, p. 12). Dahl's hypothesis was that a powerful elite decided all cases. He found out that this was not the case; different people decided in different cases. He called this phenomena the pluralists' view of power.

The two-dimensional view is based on Bachrach's and Baratz's (1970) critique of the pluralists' view. Bachrach and Baratz argue that power has two faces. The first face is the first dimension described above, where "power is totally embodied and fully reflected in 'concrete decisions' or in activity bearing directly upon their making" (1970, p. 7). "Power is also exercised when A ... limit(s) the scope of the political process to public consideration of only those issues which are comparatively innocuous to A" (1970, p. 7). In this view "power" then embraces coercion, influence, authority, force, and manipulation. Coercion exists where A secures B's compliance by the threat of deprivation where there is "a conflict over values or course of action between A and B" (Lukes, 1974, p. 17). Influence exists where A, "without resorting to either a tacit or an overt threat of severe deprivation, causes [B] to change his course of action" (Bachrach & Baratz, 1970, p. 30). In a

Reorganising the workplace: factors that affect implementation of broad participation situation involving authority, “B complies because he recognises that [A's] command is reasonable in term of his own values, – either because its content is legitimate and reasonable or because it has been arrived at through a legitimate and reasonable procedure” (Lukes, 1974, pp. 17-18). Bureaucracies build on this type of authority (Weber, 2000). The central thrust of Bachrach and Baratz's critique of the pluralists' one-dimensional view of power is anti-behavioural; power exercised by restricting the scope of decision-making to relatively “safe” issues. A satisfactory analysis of power must involve examining both decision-making and non-decision-making.

Lukes builds his three-dimensional view of power on the two-dimensional one. He claims that the two previous views on power follow in the steps of Weber (2000, p. 53), for whom power is the probability of individuals realising their will despite the resistance of others—whereas the power to control the agenda of politics and exclude potential issues cannot be adequately analysed unless it is seen as a function of collective forces and social arrangements. “A may exercise power over B by getting him do what he does not want to do, but he also exercises power over him by influencing, shaping or determining his very wants” (Lukes, 1974, p. 23). Such power could be through the control of information, through the mass media, and through the process of socialisation. This is in line with Gramsci (1971 [1926-37]), who claims that intellectual subordination could prevent a subordinate class from following its own conception of the world, and that ideological and political struggle would bring workers to see their real interest. The trouble as Lukes sees it is that both Bachrach and Baratz, and the pluralists suppose that because power, as they conceptualise it, only shows up in cases of actual conflict, it follows that actual conflict is necessary to power. But this is to ignore the crucial point that the most effective use of power is to prevent such conflict from rising in the first place. The



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three-dimensional view of power involves a thorough and ongoing critique of the behavioural focus of the first two views as too individualistic. It allows for consideration of the many ways in which potential issues are kept out of politics, whether through the operation of social forces and institutional practises, or through individuals' decisions. Using potestas as definition of power, power is a zero-sum play; one part gets more power at the expense of the other. Using this view of power could explain the fear of losing influence when broad participation is introduced, but there are also alternative views of power.

Lukes' three dimensions of power are important because when the organisation changes, the power structure in the company will change. This change in the power structure might be considered difficult and frightening for the powerful actors in the organisation, and they could handle this fear by resisting the changes. On the other hand, decisions to implement change must be made, and this demands support by the powerful, the ones that have power over the organisation.

Spinoza (2000 [1677]) claims that power is more than this—it also contains a creative part. This is in line with Mary Parker Follett (1995 [1925]), who claims that power issues are important; a manager can't share his power with the employees, but rather can give them opportunities for developing their own power (Follett, 1995 [1925], p. 115). Opening up for subordinates to contribute could be seen as a creative power: the power to motivate and create new opportunities, power as “potentia”.

### **3.6.2 – Power as “potentia”**

Power can be seen as a creative ability. This creative part of power is important to utilise in the process that leads up to a final decision to change the organisation. Potentia or “power to” means the power of things in nature, including persons, to exist and act (Spinoza, 2000 [1677]). Lukes (2005) widens his previous

Reorganising the workplace: factors that affect implementation of broad participation perspective and treats power both as *potentia* and *potestas*. He admits that his previous definition of power (Lukes, 1974) is “entirely unsatisfactory in several respects”, and concludes that “power is a dispositional concept, identifying an ability or capacity, which may or may not be exercised” and that the first book neglected the fact that power “can be productive, transformative, authoritative and compatible with dignity” (Lukes, 2005, p. 109).

One researcher exploring *potentia* is Talcott Parsons (1964), who uses the concept of “power-to” (Clegg, Courpasson, & Phillips, 2006). He represents power as a property of the political system, analogous to money in an economy. Here, power is seen in positive terms. Power is creative, “it accomplishes acts, and it changes the nature of things and relations” (Clegg, et al., 2006, p. 191). Parsons defines power as “the realistic capacity of a system-unit to actualise its “interests” ... and in this sense to exert influence on processes in the system” (Parsons, 1964, p. 391). Parsons’ idea is that those in position of authority represent the community, and can make legitimate actions on behalf of the community as a whole (Hindess, 1996, pp. 33-35). According to Clegg et al (2006), Niklas Luhmann (1979) partly builds on Parsons’ work (Clegg, et al., 2006, p. 201). Luhmann (1979) claims that power influences peoples’ choice—both action and inaction—when facing different possibilities. Power can only be increased together with an increase in freedom on the part of whoever is subject to power. Luhmann concludes that power must be something different from coercion, because when force is used, the other has no possibility to choose (Luhmann, 1979, p. 112).

In addition to the presented theories of power as *potestas* (force), and power as *potentia* (creative power), Foucault has developed a third of power; that power is everywhere. Foucault’s “productive” power is presented below.

### **3.6.3 – Foucault’s view of power**

A third view of power is proposed by Foucault. In “Discipline and Punish” (1995 [1977]), Foucault introduces his view of power as productive, as creative, as much closer to the “power to” conception than to that of “power over”. Foucault states that what makes power accepted is “the fact that it doesn’t only weigh on us as a force that says no, but that it traverses and produce things, it induces pleasure, forms knowledge, produces discourse” (Foucault, 1980, p. 119). The objects of knowledge are the consequence of power; it is the inscription and normalisation of power relations in the field of knowledge that call truths into being. “Power produces; it produces reality; it produces domains of objects and rituals of truth” (Foucault, 1995 [1977], p. 194). According to Sandmo (1999), Foucault is not an abstracting or generalising power theorist with a clear understanding of what power is and how power is utilised in general. A central point for Foucault is that power on one side is everywhere, and in all relations and therefore can not be "taken" by anyone; on the other side power is always found in the concrete, in the observable relation—and therefore is not owned by any group. Foucault studies how power is performed in historical praxis, in direct and observable connections, and he is mainly interested in the power's creative force (Sandmo, 1999, pp. 80-86). The slow, the small, the normal—this is where power is found. People don’t constantly question the normal, nor do we acknowledge its power over us. The focus for analysis is the play of techniques, the mundane practises that shape everyday life, structuring particular forms of conduct, and more especially structuring the ways in which people choose to fashion their own sense of self, their dispositions and those devices with which, through which, by which, they are shaped and framed. These are techniques of power in so far they induce appropriate forms of conduct in those others whom they target.

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Hence, power is only visible in its effects (Clegg, et al., 2006, pp. 230-231).

According to Klev and Levin (2009), Foucault raises another view of power that tries to explain what power does, and how to recognise power (Klev & Levin, 2009, p.

129). According to Klev and Levin, Foucault's view is that power is exercised with intention. The goal is to influence what peoples' choice will be. A system's ultimate success is that its members perform self-discipline based on internalised social norms (Klev & Levin, 2009, p. 130). According to Sandmo, Foucaultian power isn't

something that exists or that someone has independent of the context. Power is also—and maybe foremost—something that happens, a dynamic (Sandmo, 1999, p. 94). On the other hand, free people have their own will and the choice to resist this influence.

According to Hindess, Foucault insists that the exercise of power requires a degree of freedom on the part of its subjects (Hindess, 1996, pp. 100-101). This is in line with Dean's (1999) claim that power in the Foucaultian way should be seen both as power over others and productive power. A attempts to influence B, but B has the choice to resist because B is a reflecting human. In order for A to influence B, A has to use a combination of command (power over) and productive power (power to).

### **3.6.4 – Summarising power**

The collaboration between management and unions when it comes to changing routines in order to perform organisational change is a matter of power and power structure. When changes shall be made in a company, power as “potentia” is an important ingredient, because in addition to having “potestas”, the actors must have a will to change, a creative version of power. The actors must have “potentia”. Power consists of both a creative will and a will to command, both potentia and potestas. Both are important to be able to make the necessary changes in the active systems at workplace: management, unions, and the workers' collective system. When the final

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To implement broad participation is to change the organisational routines in a company. These routines are hard to change. An important element in the changing of the routines is management's choice of how to utilise power in the change process, their choice of using power as "potentia" or "potestas". This is the third element in my theoretical model of implementing broad participation in companies.

The next issue to consider is the employees' role in the change process.

### ***3.7 – Participation***

By allowing unions and employees to take part in the change process, management allows participation. A problem solving process consists of different phases. Eikeland and Berg (1997) define six phases in a problem solving process: The first is the problem experience phase, where problem owner feels that something is wrong. The second phase is the problem mapping, where the problem is investigated in the organisation. This leads to the third phase, the solution phase, where different suggestions to solve the problem are raised. In the fourth phase a decision is made on

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how to deal with the problem. In the fifth phase, this decision is carried out, and in the sixth phase, the results are evaluated (Eikeland & Berg, 1997, pp. 20-21). The degree of employee participation is then “measured” by how much the employees took part in the various phases (Eikeland & Berg, 1997, p. 21).

According to Pateman (1970), the whole point of this participation is leading to a change in the company’s authority structure. There are different views of what participation is, and how important it is to promote participation. It is claimed that everyone supports participation (Greenberg, 1975), but this is not the case. Cooke and Kothari (2001) reject participation based on a democratic argument: “participatory development can encourage a reassertion of control and power by dominant individuals and groups” (Kothari, 2001, p. 143). In the consensus-building process, she fears that the strong and powerful will decide through the coding, classification, and control of information and analysis. This is a possibility to be aware of when promoting broad participation.

Greenberg (1975) clarifies the theoretical literature on worker participation. He states that almost everyone supports broader participation by workers, but that this support is “illusionary once we get behind the label” (Greenberg, 1975, p. 191). He states that there are four different schools of thought that all support worker participation, but that the involved values and the predicted outcomes are quite different.

Following is a presentation of these four schools.

### **3.7.1 – Participation from a management viewpoint**

Greenberg claims that American leaders are concerned with a development in the work force that leads to troubles on productivity and profits. These troubles are handled both with using stronger leadership, and by applying traditional

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According to the management school, it is important to improve the working conditions, but it is also important to protect management. The result is that management-supported participation reforms "are clearly limited in scope", so that they don't "challenge the basic decisional prerogatives of business leadership" (Greenberg, 1975, p. 194). According to Greenberg, this school's view of what improves worker participation is, is limited to issues at the shop floor like work schedules, and lunch breaks, excluding any participation in tactical or strategic decisions in the company. Management supports their version of broader participation because it helps achieving their goals on productivity, efficiency, and profitability. An early version of participation according to this school was named Quality of Work

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Life (QWL), but gradually the terms “Employee Involvement” (EI), and “Empowerment” have replace QWL (Cummings & Worley, 2008, p. 350).

According to Lawler (1986, pp. 21-27), the four key elements that promote worker involvement are power, information, knowledge and skills, and rewards. The power element provides people the authority to make decisions in the workplace. The amount of power afforded employees varies from asking employees for input in decision-making, to collaboration between employees and managers in decision-making, to employees making a decision themselves. The information element states that decision makers at all levels get the information needed to make proper decisions. The knowledge and skills element states that organisations, in order to ensure employees’ involvement, must run training and development programmes to improve their employees’ skills and knowledge. The reward element is a reward system (Lawler III, 2006; Thomas, 2009). This reward system should cover both internal reward, like feelings of self-worth, to external rewards as payment and promotion. “To the extent that all four elements are made available throughout, and especially in the lower level of, the organization, the greater the employee involvement” (Cummings & Worley, 2008, p. 351). According to (Lawler III, 1986, p. 42), these four elements are interlinked, and must be changed together to achieve improvements in worker involvement. The outcome of employee involvement interventions are engaged employees that are motivated, committed, and interested in their work (Cummings & Worley, 2008; Konrad, 2006). A main interest for the management school is how employee involvement in companies affects productivity (Ledford jr & Lawler III, 1994; Wagner III, 1994).

There are different employee involvement methods, and they vary in how much involvement is given to the employees (H. C. Katz, Kochan, & Weber, 1985;



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Lawler III, 1986; Marchington, Wilkinson, Ackers, & Goodman, 1994; Poutsma, Hendrickx, & Huijgen, 2003; Smith, 2006b). Cummings and Worley (2008) define three different classes of EI methods: parallel structures, total quality management, and high-involvement organisations. According to the parallel structure method, involvement occurs in an alternative setting by acting in an organisation in conjunction with the formal organisation. One example of a parallel structure is the union. Following this method, a group consisting of representatives from management and employees is created at the workplace. This group makes proposals and offers suggestions to management, but the decisions are entirely made by management. Membership in the group is voluntarily. Using this method, the action plan is:

1. Define the purpose and scope for the work
2. Form a steering committee
3. Communicate with organisation members
4. Create forums for employee problem solving
5. Address the problems and issues
6. Implement and evaluate the changes

The next method is Total Quality Management (TQM), a long-term effort to focus all of the organisation's activities around the concept of quality. It is possible to implement TQM without an employee's involvement, but this is not considered here.

The stages that are part of this TQM definition are:

1. Gain long-term senior management commitment
2. Train members in quality methods
3. Start quality improvements projects
4. Measure the results of the programme
5. Reward accomplishment

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The result of a TQM process is an increase in the workers' knowledge and skillset through training that is part of the method. During the process, employees are provided relevant information. Running a TQM project also pushes decision-making power downward in the organisation, and ties rewards to performance.

The last method is the High-Involvement method. This method is different from the two other methods. The parallel structure method does not alter the formal organisation. The TQM method focuses on particular processes in the company. Utilising the High-Involvement method, almost all the organisation's features are addressed (Cummings & Worley, 2008; Lawler III, 1986). The features addressed are (Cummings & Worley, 2008, pp. 367-369):

- the organisational structure, where a flat, lean organisation with a participative council or structure is preferred
- job design, which offers employees task variety and involvement
- open information systems that provide the employees with the necessary information to participate in decision-making
- career systems, with different options for advancement
- selection of employees that prefer involvement
- training employees so that they can participate in decision-making
- personnel politics that focus on participation and encourage a stable workforce
- physical layout that supports team structures

The opportunity for involvement is better in a high-involvement organisation than in an organisation with parallel structures (Cummings & Worley, 2008, p. 351).

### **3.7.2 – Participation from a humanistic psychology viewpoint**

Participatory reforms are also supported by the humanistic psychology school of thought. People that are part of this school see modern industrial life as “the root of alienation and stunted personality development” (Greenberg, 1975, p. 194). They support participatory reforms in work life because they believe that today’s organisation in industry, like the one presented in the walkthrough of the management school, requires passive and ignorant workers, and removes humanity from these workers. The way jobs are organised today—for instance, by using Taylor’s scientific management principles—hinders workers in developing their human personalities. They argue that this development is not only harmful to the workers involved, but also to the larger economic organisation they are a part of. The supporters of this school advocate change of work life in industrial societies. Job enrichment and participation in decisions by the workers are seen as most important to realise this change.

This school traces its origins to shortly after World War II, when European industries were rebuilding. Many new machines were developed to ease manual work. In Britain’s coal mining industry, new machines were bought and new ways of organising work were introduced, but the economic payback on these investments was poor. The mines generally produced less coal than before the new technical equipment was introduced. This led to a number of research projects in the mining industry performed by Tavistock Institute of Human Relations (Herbst, 1971b; Trist, 1981). The studies showed that the introduction of new technology, along with a new production line, disturbed the employees and changed their manner of collaboration. Previously the workers were in small autonomous teams responsible for all stages in the coal mining process. When new equipment was introduced, the work operations were split in accordance with each machine’s operation like Taylor suggested. One of

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the results was that the traditional work teams were split, and the workers' control of their own work operations were weakened. This led to poor performance. The research concluded that it is important to include shop-floor level operators in the planning whenever new machines are introduced. This link between the machine (the technical system) and the organisation (the socio system) is called the socio-technical systems approach (Trist, 1981, p. 7).

This was a major break with Taylor's (1911) way of organising work operations where workers should be looked at as part of the machines they operate, and that to be able to optimise production, it should be split into a number of standardised automatic operations easily performed by the workers. According to Trist (1981), technical and social systems are independent of each other. The technical systems follow the laws of natural science, and the social systems follow the laws of human science. Although they are independent, they are correlated in that the one needs the other for transformation of an input into and output, which is the functional task of a work system (Trist, 1981, p. 24). He further states that the socio-technical concept is valid in primary work systems, which carry out a set of activities in a subsystem of the organisation, in whole organisation systems, and in macro social systems like communities or industrial sectors (Trist, 1981, p. 11).

One of the researchers interested in socio technical issues was Einar Thorsrud. In 1960 the Confederation of Trade Unions (LO) proposed a project to research industrial democracy. The left-wing part of the ruling Labour Party was interested in a debate on the consequences of the impersonal and authoritarian culture in modern industry (Emery & Thorsrud, 1976, p. 9). LO and NAF discussed the matter, and agreed upon a jointly funded industrial democracy programme. The partners asked Einar Thorsrud if he was interested in participating in such a project, and he, with

Reorganising the workplace: factors that affect implementation of broad participation knowledge of, and interest in results from the socio-technical research performed at Tavistock, agreed. This large-scale programme should test different ways of organising work in a way that included workers' participation. This programme is named The Norwegian Industrial Democracy Programme (Elden, 1979; Emery & Thorsrud, 1976; Gulowsen, 1975, 1987; Herbst, 1971a; Lange, 1971; Thorsrud & Emery, 1964, 1970; Trist, 1981).

The agreed background for running such a programme was that traditional Norwegian industries were lagging behind in development compared to their competitors. Could it be possible to gain competitiveness by working differently by increasing worker participation? One of the project's aims was to redefine the alternative meanings of industrial democracy, and to come up with a definition that everyone in the company could understand and agree upon. The project's main goal was the development and testing of "alternative organisational forms and their impacts upon employee participation on different levels of companies" (Emery & Thorsrud, 1976, pp. 1-2). Foci were on conditions for personal participation, work roles, and the employees' wider organisational environment. Researchers participated in planning, running, and evaluating the project. The research was planned in two phases: The first should gain knowledge "with formal systems of participation through representative arrangement", and the second comprised "field experiments and socio-technical changes" to improve conditions for participative industrial democracy (Emery & Thorsrud, 1976, p. 1).

The first part of the programme was an international study of experience with formal participation by employees at top management level in industry (Thorsrud & Emery, 1964). The study covers different forms of formal workers' representation in industry in Yugoslavia, West Germany, Great Britain, and Norway. In Yugoslavia,

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work councils were established at each factory. These councils consisted of employees, management, and local members of the communist party. The study shows that the decisions mainly were made according to managements wish, and that the new way of organising the work mainly benefits management. The conclusion is that the workers councils give formal participation by employees, but don't ensure actual influence (Thorsrud & Emery, 1964, p. 52). In West Germany, formal participation by employees was decided by law. One of the reasons for this law was that unions were weak in West Germany after the war, and that the unions in collaboration with the Allies reorganised. In an evaluation ten years after the war, one of the conclusions was that the formal representation had lead to few fights between employers and employees. The ordinary employee showed little personal interest in participating in developing own workplace. The conclusion from the Industrial Democracy programme was that the way of formalising participation by law, like in West Germany, didn't give the desired result when concerning personal participation by employees (Thorsrud & Emery, 1964, pp. 66-67). In Great Britain, the Government nationalised the coal mines after the war. They decided that the employees should be part of the companies' boards, and former union leaders were elected. In addition, an advisory organisation where employees participated was established. Evaluation of the British way of implementing representative participation calls attention the problem that occurs between the advisory board, and the union structure at company level. The conclusion by the researchers on the British case was that this was not how to make personal participation at workplace (Thorsrud & Emery, 1964, p. 80). The main conclusion from the study is that it is crucial to achieve greater personal participation by employees on the day-to-day basis to ensure "real participation by the majority of the employees in broad company political

Reorganising the workplace: factors that affect implementation of broad participation issues” (Thorsrud & Emery, 1964, p. 41). This led to the second study, where experiments trying direct participation by employees were carried out.

In the second part of the industrial democracy programme, conditions for personal participation were very focused, down to specific work roles and the organisational environment (Emery & Thorsrud, 1976, p. 2). New forms of organising a company were explored; of these, the “semi-autonomous work groups” was important. The researchers played an active role in the project by experimentally modify the organisation, and then measure the resulting changes, and its influence on job satisfaction (Emery & Thorsrud, 1976, pp. 11-12). The unions were aware of the foreign experiments with employees’ control, but they didn’t want to copy the models for Industrial Democracy from Yugoslavia, West Germany, or Great Britain. These countries had different historical and social background than Norway, and they had all implemented representative systems for participation. LO wanted to develop a participative industrial democracy within industry (Emery & Thorsrud, 1976, p. 117). The historical basis for the unions was to handle bargaining with management on a win-lose type, and it was some difficulties in being engaged in a programme to improve direct participation at work place. In the organisational thinking of the researchers, management’s primary responsibility is to handle the environment of the company, not in exercising internal control inside the factory (Emery & Thorsrud, 1976, p. 135). When it comes to semi-autonomous groups, the researchers concluded that the establishment of such groups is strongly dependent on the ability of management to move focus from internal control to handle the environment. According to Emery and Thorsrud, the concept of semi-autonomous group is incompatible with the traditional idea of authoritarian management (Emery & Thorsrud, 1976, p. 145). They further state that:

“The field experiments indicate that groups on the shop floor as well as higher up in the organisation system find it difficult to liberate themselves from earlier ways of thinking and habitual defensive positions, and are thus less capable of working together to solve problems on the local level.”

(Emery & Thorsrud, 1976, pp. 147-148).

This problem with employers and employees both participating in development of companies and bargaining (fighting), is still a challenge today. To summarise from the programme, industrial democracy was no longer seen only as a matter of an employee’s representation in the board, but also to focus on everyday issues on the shop floor (Gustavsen, 1992, p. 15). Even today, this focus on collaboration at the shop floor is important. The collaboration is still active between the employers, employees, and later the Government that was the basis for this project. This tripartite agreement is now named the Norwegian Model of work life.

This agreement ensures the individual employee’s co-determination and influence in business development, and this participation by employees is one of the bases of this Norwegian Model. HF has for a long time supported enterprise development projects initiated according to the agreement. Writings on the Norwegian model indicate that in Norway all conditions are met for a close collaboration between employers and employees, but Gulowsen (1987, p. 10) claims that there are differences between Norwegian regions when it comes to the importance and strength of the unions. Some of these differences are caused by history.

This research is performed in Western Norway. Wicken (1997) states that Western Norway was, with few exceptions, industrialised in a French manner, where industrialisation took place in rural areas and was based on low wages and low-end technology. Indeed, industrialisation in these areas did materialise in small



Reorganising the workplace: factors that affect implementation of broad participation workshops, not in large factories. The owners were local, and they and their families worked on shop floor side-by-side with the employees. As the owners' money was invested in the company, the owners asked their neighbours and their workers to invest as more money was needed. As a result, many of the workers became co-owners of the business (Wicken, 1997, pp. 100-103). Since both owners and employees had the same social background, workplace collaboration was the rule, not the exception (Løseth, 2004, p. 40). The owners and the workers often had the same leisure time interests, and thus met regularly. There was more equality between the top floor and the shop floor than in any other part of Norway (Løseth, 2004, p. 47). While employees in other parts of Norway supported the Labour Party and the union as a protest, it only happened to a lesser degree in this area. Unions and the Labour Party had less support here than in other parts of Norway; Both owners and workers voted for the Liberal Party (Løseth, 2004, pp. 29-30).

Some of the presentation of the Norwegian Model could be moved to the following section regarding the participative democratic theory tradition, because at some point in time LO's and NHO's interests have changed from job demands and individual rights to an interest in participation as a democratic right. The presentation is kept here because the Norwegian Model has its origin in the socio-technical stand that is part of the humanistic psychology school.

### **3.7.3 – Participation according to participative democratic theory**

The third school that supports broader participation by workers is based on the participative democratic theory. This theory stresses the role of direct participation in all parts of society. "At the heart of traditional democratic theory is the faith in the capacity of perfectly ordinary human beings to govern themselves wisely" (Greenberg, 1975, p. 198). According to Greenberg, traditional democrats like Mill,

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Rousseau, Dewey, and Cole admit that men don't act like this. They argued nevertheless that men are improvable and educable, and can develop in this direction. Participation is seen as the social process by which human beings, "practicing the arts of self-direction, cooperation and responsibility, liberate their capacities, and thereby become whole, healthy and integrated persons" (Greenberg, 1975, p. 200).

Democracy is a system of governance based on the will of the people. The word democracy consists of the two Greek words "demos", which means people, and "kratos", that means rule (O. T. Berg, 2009; Held, 2006, p. 1). As Dewey states: "The foundation of democracy is faith in the capacities of human nature; faith in human intelligence and in the power of pooled and cooperative experience. It is not belief that these things are complete but that if given a show they will grow and be able to generate progressively the knowledge and wisdom needed to guide collective action" (Dewey, 1937). There are different theories of democracy and these theories have different views of how the citizens should participate in decision-making.

The idea of democracy has its origins in ancient Greece. In the Greek city-states "all" citizens participated in the governing of the city—"all" meaning all adult men who were legal citizens. A good citizen should give preference to the will of the people, overriding his own. The laws and rules were decided in meetings where all citizens gathered and voted. Every citizen had one vote, and all votes counted equally. Over the course of a year there were approximately 40 of these mandatory meetings, each lasting an entire day. According to Dahl (1989), while this is what the citizens expected, it is not known if they actually acted like this. He further points to the fact that what is known today from this style of democracy is mainly known through the work of its critics, like Aristotle and Plato (Dahl, 1989, pp. 13-23). What is known, is that in Athens the city-state "celebrated the notion of an active, involved citizenry in a

Reorganising the workplace: factors that affect implementation of broad participation process of *self-government*; the governors were to be governed. All citizens met to debate, decide and enact the law” (Held, 2006, p. 15).

This type of democracy is defined by Pateman (1970) as the participatory theory of democracy. This direct participation by citizens in making decisions is seen by Rousseau (2007 [1762]) as preferable. He admits that this type of democracy is difficult to implement except in very small states where citizens know one another and can easily meet. He concludes that democracy is the best way to govern in small states (Rousseau, 2007 [1762], pp. 52-53). Participatory democracy is based on citizens developing their interests, while what Schumpeter (2008 [1942]) defines as the contemporary theory of democracy is based on citizens protecting their interests (Mansbridge, 1983). In participatory democracy, all citizens make all decisions; as an alternative, citizens might elect representatives that, in the next cycle of governance, make decisions on behalf of the citizens.

Schumpeter (2008 [1942]) argues for democracy by elected representatives. He claims that the participatory democracy of governing is impossible to implement in larger societies, and that the participative definition of democracy is outdated. He offers an alternative definition of democracy, where the citizens vote on representatives through universal suffrage. The representatives then make decisions on behalf of the people. The voters’ power is expressed by their ability to vote for other representatives, and thus change government. Pateman (1970) calls this a contemporary theory of democracy, and she claims that this theory has been influential, and that Dahl (1989, 2000) has contributed to elaborate this theory. One argument in favour of this theory is that people, especially those with little education, have little interest in democracy and at the same time these people tend to support extremists. Too much power to the people might result in an undemocratic society,

Reorganising the workplace: factors that affect implementation of broad participation and that is wrong. Another argument is that even though people are equal and that each vote counts equal, there are some citizens that are better to govern than other. By electing representatives among those capable of governing, society will be better off than electing among all citizens. Pateman states that there is no such thing as a classical theory of democracy, and that the early writers on democracy had different views of participation of the citizens in decision-making.

These presented theories of democracy have different views on participation. The participative democracy theory states that all citizens should take part in all aspects of governing, all the time. The contemporary theory states that citizens should participate by electing representatives that govern, with the citizen's influence being the vote. Mill (2008 [1861], pp. 166-178) claims that it is important that citizens participate in politics, and that people should obtain training in democracy by practicing both in their local area and at the workplace. Participating in discussions and decisions is an educative effort. People perform better and it is easier to implement the decisions if the one that is affected by the decision are involved in the decision process. Focusing on participation in industry, the next section presents different theories of industrial democracy and employees' participation. Industrial democracy is a phrase that describes the employees' participation in company's decisions. According to the encyclopaedia (Korsnes, Andersen, & Brante, 1997), two definitions of industrial democracy exist, a European and an American. These definitions have different views when it comes to employees' participation.

The first definition of industrial democracy is the European one. According to this definition, industrial democracy consists of four dimensions: The first dimension indicates who among the employees participate in decisions. Do all employees take active part in decisions, or is it the employees' representatives that take part on behalf

Reorganising the workplace: factors that affect implementation of broad participation of the employees? The second dimension is in what form the employees participate. Do they participate through consultations with management, through co-determination, or directly by making decisions? The third dimension is how the employees participate. Is there dialogue between management and employees? Do the employees participate by voting different alternatives, or do they participate by negotiating? The fourth dimension is on what level employees participate: strategic, tactical, or operational?

In contrast, the American definition of industrial democracy views participation as linked to employees' "human rights"—their rights as citizens in the companies, including gender equality, health, and pensions (Korsnes, et al., 1997, pp. 177-178).

#### **3.7.4 – Participation according to the participatory left**

The last school of participation is one that Greenberg calls the participatory left. He defines this school to include the non-Stalinist Left, both in Europe and in the US. In the core of this school is a strong socialist theoretical perspective, emphasising industrial democracy and worker self-management, rediscovering the works of Gramsci (1971 [1926-37]). They choose his writings on work councils as the starting point of a future socialist society. He argued that by taking over the production from management, workers would be educated to socialism, and gain the capacity to rule society. "In these institutions of self-education, workers would acquire skills, capacities, responsibilities, and confidence in the abilities as a class" (Greenberg, 1975, p. 202).

### **3.7.5 – Employee participation in decision-making**

Pateman (1970) states that participation is not just one of many ways to persuade employees to accept decisions that have already been taken by management, participation in industry means employees being part of decisions. Pateman defines three different types of participation in industry pseudo participation, partial participation, and full participation.

Pateman defines pseudo participation as cases where the decision is already made by management before discussing it with the employees. In this case employees have no participation at all. Examples of this kind of so-called participation can be found in the management school presented in an earlier section. Further, she defines partial participation in cases where the matter is discussed with employees in advance of a decision, but where the final decision is made by management. Examples of this are found both in the humanistic psychology and participative democratic theory schools. The participatory left supports the idea of full participation, where employees and management jointly make decisions (Pateman, 1970, pp. 68-73).

An alternative participation category is known as the “ladder of participation” suggested by Arnstein (1969). She defines eight types of participation ranging from Manipulation to Citizen Control, and visualises the eight types as a ladder with eight rungs. The two bottom rungs of the ladder she calls Manipulation (rung 1), and Therapy (rung 2). She defines the two as “non-participation”. The goal in utilising these is to enable power holders to educate or care for the participants. The three next ladder rungs are defined as Informing (rung 3), Consultation (rung 4), and Placation (rung 5). These three levels are defined as “tokenism”. The goal is to allow participants to have a voice, but give them no influence to change the status quo. She labels the top three levels Partnership (rung 6), Delegated Power (rung 7), and Citizen

Reorganising the workplace: factors that affect implementation of broad participation Control (rung 8). These are called “citizen power”, covering citizens negotiating with the power holders, and citizens having the majority in decision-making processes. In this dissertation, Pateman’s definition is used because Arnstein’s definition is too detailed for the purpose.

In the management school of thought, participation is seen as limited in both scope and intensity, with such participation being named symbolic or pseudo participation. The aim is no participation. In the humanistic school there is no intention to challenge management, and participation is used within a narrow range of decisions. The democratic school, advocating that democracy is fundamental to secure a good life for all citizens, wants participation in decisions affecting the entire enterprise. The participatory left supports the democratic view, but their goal is further to educate socialist leadership through participation. Only through participating “in the experience of making comprehensive enterprise decisions can workers gain the vision that enables them to see themselves as direct producers and not mere wage-earners” (Greenberg, 1975, p. 208). These four different views of why support worker participation in industry is all represented in the historical struggle to implement industrial democracy, starting with the rebuilding of industry after World War II.

Using this selected definition of participation, Greenberg is wrong when he states that everyone supports participative methods. To be willing to support broad participation, members of the management school define participation too narrowly. Supporters of this school don’t want employees to have real influence, therefore not supporting participatory development according to the definition used in this dissertation. In the democratic school, there are also voices that reject participation based on a fear that participation by all citizens only reassesses control and power,

Reorganising the workplace: factors that affect implementation of broad participation and therefore is bad for the ones that are at the bottom. The other schools support employees' participation in decision-making.

Greenberg concludes that all these schools support worker participation, but that they have different notions of what this participation looks like, what the expected results of this participation are, and what values are to be served. Greenberg states that almost everyone supports broader participation by workers, but that this support is "illusory once we get behind the label" (Greenberg, 1975, p. 191). He further claims that all these schools posit a loose theoretical proposition:

"Involvement in a ... *specified participatory environment* at the workplace results in a set of ... *predicted attitudinal and behavioural changes in participant individuals*, and when a sufficient number of such persons are involved, leads to ... *predicted social and political consequences*" (Greenberg, 1975, p. 205). In the interplay between management and unions, management must allow real participation by involving employees in decision-making; supporting power as potentia. Implementing change ought to be the result of a process where all employees participate before the decision is made. The unions have two choices either to accept to collaborate with management, or to fight management.

### ***3.8 – Participation from a union perspective: boxing or dancing?***

This peaceful collaboration between unions and management is important in Norwegian work life, but has historically caused debates in the unions. Thorsrud and Emery (1964, pp. 16-18) cite a 1960 speech where a central LO member supported a close and peaceful collaboration between the unions and management, but at the same time warned that too close a collaboration could damage the unions. Unions work for



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their members' interests and are historically created to fight on behalf of the members  
against management—not to peacefully collaborate with them.

Despite this warning, the unions have on one side supported a long lasting  
peaceful collaboration with management on enterprise development, and on the other  
side fought management by negotiating wages and work conditions. The result of this  
duality is that unions at the same time must fight and collaborate with management.  
This dual role is named “boxing” and “dancing” (Huzzard, Gregory, & Scott, 2004)  
with management. The peaceful collaboration is found both at national level (macro  
level) and at company level (micro level).

At a macro level, this peaceful collaboration between management and unions  
is institutionalised by the Joint Programme (HF), and the unions at this level have  
accepted dancing with management. This peaceful collaboration at national level  
influences the collaboration between unions and management at company level by  
promoting dancing. From the union's point of view, the negotiations with  
management are mandatory, but the peaceful collaboration part of the basic agreement  
is to a larger degree voluntary, in that management and unions are encouraged, not  
forced to collaborate peacefully. In some companies, the unions have prioritised  
dancing, in other they haven't. This leads to differences when it comes to unions'  
experience collaborating peacefully with management.

Some unions prioritise wage negotiations over organisational development and  
prefer “boxing” rather than “dancing” (Huzzard, et al., 2004). To be able to  
implement broad participation at company level it is important that the union's choice  
is dancing, not boxing with management. This is the fourth element in my theoretical  
model.

Changing organisational routines is dependent on management's choice of utilising power, and the union's choice of taking part in change processes or not. Management and unions meet at mandatory wage negotiations. This is a fighting arena. To implement broad participation, management and unions must meet at a peaceful arena as well.

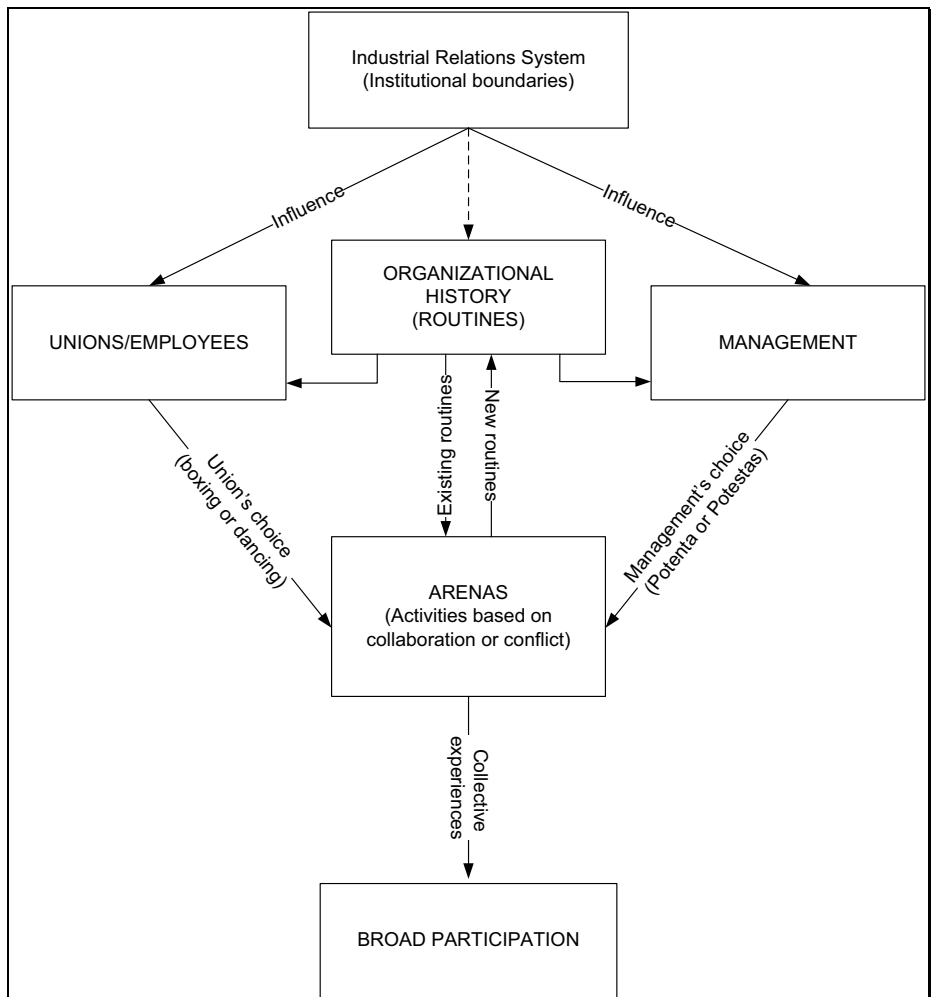
### **3.9 – Collaboration arenas**

An arena is a place when actors meet and a dialogue between the actors occur (Greenwood & Levin, 2007, p. 97; Klev & Levin, 2009, p. 78). In the co-generative knowledge creation model (Greenwood & Levin, 2007), one of the main points is that mutual reflection and learning between the locals and the researchers occurs. (See more details of the co-generative model in the methods chapter that follows). Instead of management deciding and planning a whole change project, the clue is to include the employees and unions in the planning and running of such processes. To be able to involve employees there must exist some kind of arena where management and employees could meet. In an action research process, this creation of collaborative arenas is facilitated by the researchers. According to Klev and Levin (2009, pp. 77-78) it is important that the researcher learn to know the different arenas in the organisation and how they work. Some of these arenas are arenas for peaceful collaboration between management and unions, while other arenas are based on fight between the actors.

### **3.10 – Theoretical position**

In this chapter it is argued that the elements that comprise the theoretical model are organisational routines, power, participation, arenas, and influence from the

Industrial Relations System. To research what enables or hinders these elements are the important to consider. The theoretical model is illustrated in figure 4 below.



**Figure 4: The theoretical model**

Broad participation means that employees to a high degree take part in the different phases in problem solving in a company (Eikeland & Berg, 1997, p. 21). In the model, broad participation is the result of collective experiences between management and unions. These collective experiences are results of the activities at the different arenas in the company, and are shown as an arrow named "Collective experiences" from the

Reorganising the workplace: factors that affect implementation of broad participation arena box. Some of the activities are based on conflicts between management and unions at fighting arenas. Other activities are based on peaceful collaboration between management and unions on arenas for peaceful collaboration. To implement broad participation, an arena for peaceful collaboration between management and unions has to exist. At this arena, management and unions meet to discuss and decide. To be able to initiate the dialogue at this arena, management's choice must be to allow involvement from unions in decision-making. This is seen as an arrow marked "Management's choice" from management to the arena. In addition, unions must choose to accept the invitation from management, which is shown by the "Union's choice" arrow from unions to the arena in the figure. The Industrial Relations System influences institutional boundaries for collaboration between management and unions at the workplace. In the model, this is shown with two different "Influence" arrows: One from the Industrial Relations System to unions, and another from the Industrial Relations System to management. The activities on the arenas are also shaped by the organisational history, represented by the organisational routines that define the company rules of how to act in different situations. In the model, this is shown by the "Existing routines" arrow that feeds into the arenas. New ways of acting and new routines are developed as results of the activities on the arenas; the "New routines" arrow shows this, from arenas back to the organisational history.

According to this model, broad participation is the result of collective experiences between management and unions in different arenas at the company. At these arenas, management and employees meet face-to-face, with different views of power and collaboration strategies being materialised. Both management and employees bring their views of corporate history to these arenas. As a result, the analysis of the Industrial Relations System, organisational history, management's

Reorganising the workplace: factors that affect implementation of broad participation view of power, and the unions' choice of boxing or dancing are performed before arenas are analysed. The different threads from the other analyses are assembled at these arenas, with the final result of broad participation being produced—or not.

The first element that makes a difference when implementing broad participation is the influence of the Industrial Relations System. Through funding and knowledge transfer, does this system support the process of implementing change in companies? How does the Industrial Relation System influence the local actors involved in implementing broad participation? The second element that matters is the organisational history in the company as represented by the organisational routines. What are the routines that define how to act, and how were these existing routines discussed and decided in the first place? If management makes these routines without peaceful collaboration with the union, this influences the change activities that must be performed when trying to implement broad participation. The third element is management's choice to allow unions to take part in peaceful collaboration. Does management choose to utilise power as *potentia* or *potestas*? The fourth element is the unions' choice to partake in peaceful collaborate with management—the choice of dancing rather than boxing. The fifth element is the arena. At these arenas, broad participation could be produced as a result of the face-to-face meeting between management and the employees. These five elements are shown in table 1 below.

<b>Conditions that enable broad participation</b>	<b>Conditions that hinder broad participation</b>
Support from the Industrial Relations System	No support from the Industrial Relations System
Existing routines made with unions' participation (a matter of organisational history)	Existing routines made without unions' participation (a matter of organisational history)
Management choose power as potentia and their view of what participation is	Management choose power as potestas and their view of what participation is
Unions choose dancing – their view of what participation is	Unions choose boxing – their view of what participation is
Arenas for peaceful collaboration exists	No arena for peaceful collaboration exists

**Table 1: Conditions that enable or hinder broad participation in companies**

The conditions that enable or hinder broad participation in companies are deduced from my theoretical model above. What enables broad participation is that the Industrial Relations System supports the change process; that the existing organisational routines are made in collaboration between management and unions; that management chooses power as potentia rather than potestas, allowing involvement by unions; that unions choose dancing rather than boxing, by accepting management's invitation for peaceful collaboration; and that an arena for peaceful collaboration between management and unions exists and is the culmination of all other factors for the change of producing broad participation. What hinders broad participation is that there is no support from the Industrial Relations System to

Reorganising the workplace: factors that affect implementation of broad participation implement broad participation in a company; that the existing organisational routines are created without unions participating; that management chooses power as potestas, rather than potentia, and that unions are not invited to take part in development processes; that unions choose boxing, rather than dancing; and that no arena for discussing development matters exist between management and unions.

### **3.11 – Research sub-questions**

The theoretical model states that when researching implementation of broad participation, the following issues need to be taken into consideration:

1. Support from the Industrial Relations System in changing the collaboration practises between management and unions in the company
2. Organisational routines within a company
3. Management's choice of utilising power as potentia or potestas
4. Union's choice of boxing or dancing with management
5. The arena for peaceful collaboration between management and unions

The sub-questions are based on these issues deduced from the theoretical model, with the premise that broad participation according to the model is produced in a face-to-face dialogue at a company's collaboration arenas:

The first issue to research is the influence from the Industrial Relations System as drawn at top of the theoretical model. According to the theoretical model, the Industrial Relations System influences unions/employees, management, and an organisation's history. Does the Industrial Relations System actively support unions and management in the companies when implementing broad participation, which thereby changes the collaboration between management and unions? The first sub-question is: how has the Industrial Relations System influenced the change process?

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The second element is to determine how organisational history, as represented by organisational routines, frames peaceful collaboration in a company. According to the theoretical model, organisational history directly influences the unions/employees and management and how they act at a company's collaboration arenas. Do existing organisational routines favour peaceful collaboration or not, and what are the mechanisms for changing the existing routines or for creating new ones? This gives rise to the second sub-question: How have the organisational routines influenced the implementation of broad participation?

Management's choice of utilising power as *potentia* or *potestas* is the third issue to research. According to the theoretical model, management's choice of utilising power as *potestas* or *potentia* is brought to the collaboration arena, and will influence the achieved collaboration efforts on these arenas. Management could choose to make decisions without involving unions, or they could choose to invite the unions to take part in peaceful collaboration. This leads to the third sub-question: To what degree does management choose to allow involvement by unions in peaceful collaborative activities?

The fourth issue is to investigate the union's choice of boxing or dancing with management. According to the theoretical model, a union's choice is brought to the collaboration arenas, and will influence the achieved collaboration efforts. There will always be some boxing and some dancing between the two parties, so it is up to the union to choose between fighting and collaborating peacefully in different situations. That leads to the fourth sub-question: To what degree does the union choose to accept management's invitation to take part in peaceful collaborative work?

The fifth issue is the arena for peaceful collaboration between management and unions. According to the theoretical model, collaboration arenas occur in



Reorganising the workplace: factors that affect implementation of broad participation company locations where management and unions/employees meet face-to-face—and where they bring a choice of peaceful collaboration (potentia and dancing) or fight (potestas and boxing). Organisational history also plays a role. Further, the model states that the activities in the arenas produce collective experiences that might lead to broad participation. There are many different arenas in a company with different conversations occurring at each. To not only find arenas for peaceful collaboration and but also understand the nature of the dialogue at each, the fifth sub-question is: How do the dialogues between management and unions operate on the arenas for peaceful collaboration?

To summarise: Based on the theoretical model, the following sub-questions are developed to answer the research question of what enables or hinders implementation of broad participation in companies:

- How has the Industrial Relations System influenced the change process?
- How have the organisational routines influenced the implementation of broad participation?
- To what degree does management choose to allow involvement by unions in peaceful collaborative activities?
- To what degree does the union choose to accept management's invitation to take part in peaceful collaborative work?
- How do the dialogues between management and unions operate on the arenas for peaceful collaboration?

## **Chapter 4 – Method**

### ***4.1 – Introduction to the method chapter***

The research question is what enables or hinders implementation of broad participation in companies. This chapter aims at telling my theory of science position and what methods are used both in information gathering and data analysis in order to answer the primary research question and the five sub-questions.

### ***4.2 – Theory of Science position***

The researcher approaches the world with a set of ideas that specifies a set of questions to examine in a specific way. These ideas are called theory and ontology, the questions are called epistemology, and the different ways to examine the questions are called methodology and analysis (Denzin & Lincoln, 2000, p. 18).

My idea is that the social world is constructed (Berger & Luckmann, 1966). People interpret this constructed reality differently, and it is these interpretations that count (Denzin & Lincoln, 2000, p. 19). In these interpretations, the researcher's knowledge is not "better" than the locals' knowledge (Gibbons, et al., 1994; Nowotny, Scott, & Gibbons, 2001). Knowledge is created by mutual reflection between the different actors (Greenwood & Levin, 2007). The generated knowledge represents interpretations that are valid until better interpretations come forward.

In the work to generate interpretations, the questions that are asked both allow recordings of a researcher's observations, and uncover the meaning of the subjects' expressions. The research relies on the assumption that the individuals' expressions of their meaning open a window into their inner life (Denzin & Lincoln, 2000, p. 19).

### 4.3 – Data collection methods

The change project in the companies carried out and reflected on different actions. This change project was funded by HF, and the implemented actions were done in collaboration between the companies and researchers. The researchers were co-funded by VRI, and worked as facilitators and knowledge resources in the change project. This dissertation is based on research performed as part of the VRI project in Sogn og Fjordane. That means that the VRI project, the change project, and these PhD studies were closely interrelated as shown in figure 5 below.

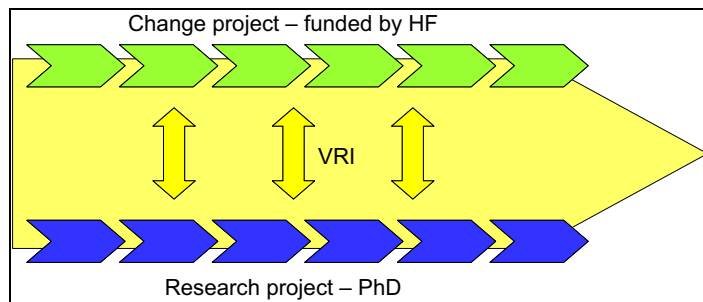


Figure 5: The relationship between the Change Project and this PhD Study

The work in the change project was the main source for this dissertation. Data was collected by different methods that included interviews, dialogue conferences or dialogue meetings, actions or interventions, and observations.

#### 4.3.1 – Research in companies

The researchers had different roles during the change project. One of the roles was to act as observers both at the change project's board and the Technical Advisory Board. In both cases the researchers were present, but had minor functions in the meetings. In this situation, the researchers functioned primarily as observers.

To monitor the change project, the researchers had their own office at the group's headquarters for two years. The researchers met at the office once a week for

these years, taking part in the change project, eating lunch in the companies' canteen, and being part of internal discussions throughout the companies. In this role the researchers both participated and observed. Most of the information on how the group functions and passes on results from the change projects was collected during this period and was based on the experience of working with change in the group. In this case, the researchers' role was to perform participant-observation.

However, the researchers were more than participant-observers; they also directly influenced the result of the research by accomplishing actions. One of the methods used for data collection was the dialogue conference (Pålshaugen, 1998) or dialogue meeting. The Work Research Institute has worked with this type of meeting/conference for some time (A. M. Berg & Eikeland, 2008, p. 14), and our researchers learned how to facilitate a dialogue conference by collaborating with these experienced researchers. All employees are invited to participate at the dialogue conference because the main feature is the discussions between the participants. The participants are divided into parallel groups for the discussions. Each group discussion is summarised in a plenary session where all participants take part. The goal is to utilise all the relevant knowledge in the company (Pålshaugen, 1998, pp. 30-31). As part of the researchers job at a conference is to lead the discussions, and to help the participants to conclude and prioritise. The researchers are active, and more than an observer. After each conference, a memo with the conclusions was written in Norwegian and handed out to all the participants to validate what were agreed upon.

Action lists were compiled based on the agreed memos from the dialogue conferences and the dialogue meetings. Changes that were implemented in the companies were implemented according to this prioritised list. The researchers were actively taking part in the actions, and like our roles at the dialogue conference, we

Reorganising the workplace: factors that affect implementation of broad participation were more than participants—we took part in the change process that influenced the results.

In these different phases, the researchers wrote their own field notes for later use in retrospective reflections and discussions among the researchers and with managers and employees in the companies.

To supplement the data collected through observations, discussions, and actions a number of interviews with key actors in the change project and in the actual organisations were conducted. There are power asymmetries in these interviews. The researcher frames the interview situation. The researcher determines the topics, asks the questions and decides which answer to follow up. An interview is not only a good conversation, but also a means for the researcher to collect data. The researcher interprets and reports from the interview according to his interests (Kvale & Brinkmann, 2009, pp. 33-34).

I interviewed union leaders in the group twice. The first interview was early in the project, which lasted for four hours, starting with lunch and ending with dinner. The current union leader in one of the companies handled the invitation to this interview. All invited leaders met, which meant that all key union leaders from the start of the group in 1985 until 2008 were present. The second interview with the union leaders was performed at the end of the change project. I interviewed the current CEO once and the former CEO three times. I have also interviewed the members of the change project management team. Some of the interviews were followed up with an electronic mail dialogue. During the interviews I took notes by hand; afterwards, the notes were transferred to a computer and sent to all participants by electronic mail for quality check and approval.

The approved notes from the interviews were then saved as an internal source in the computer tool NVivo (Bazeley, 2007). The quotes from the interviews that are presented in this dissertation are fetched from the interview notes and translated into English. I also received access to the group's strategic documents, the Quality Assurance System, protocols from board meetings, and action plans from the companies.

The data came from formal minutes of meetings, research memos, applications for funding the change project, and as impressions stored in my brain. I have influenced both the way in which the organisation acts, and the results achieved in the change project. The chosen methods must take this into account.

The researchers had an active part in the change project as partners in dialogues, and as one of the driving-forces in the change project. A research method that accepts researchers as change agents and takes into account that researchers could be more than observers is known as action research (AR).

#### **4.3.2 – Action Research**

The researchers participated in this project by implementing change in the organisation, therefore influencing the results of what is researched. Researchers additionally reflected on the achieved results of the changes with the other participants and were part of a team, proposing new changes that might work better than the ones already tried out. According to Greenwood and Levin (2007), this is known as action research, which is defined as social research carried out by a team with a professional action researcher and the members of an organisation who are trying to improve the participants' situation. In this project, the researchers acted as action researchers.

According to Reason and Bradbury (2008), action research is a set of practises of living inquires which goals are to improve human conditions in communities or organisations. As people collaborate to address their key challenges in communities or organisations, action research arises, involving creating positive change on a small scale or changes that affect the lives of many (Reason & Bradbury, 2008, p. 1). Kurt Lewin states that action research is “a comparative research on the conditions and effects of various forms of social action, and research leading to social action” (Lewin, 1946, p. 35). AR democratises research processes by including the local actors as co-researchers (Greenwood & Levin, 2007, p. 3). “*Action research* refers to the conjunction of three elements: action, research, and participation” (Greenwood & Levin, 2007, p. 5). An action research project “proceeds in a spiral of steps each of which is composed of a circle of planning, action, and fact-finding about the result of the action” (Lewin, 1946, p. 38). These cycles of action and reflection are more or less systematic. In the action phases, the co-researchers test practise and gather evidence. In the reflection stages, mutual reflections are performed, and based on these reflections further actions are planned. These cycles integrate knowing and acting, and therefore action researchers don’t have to address the gap between knowing and doing (Reason & Bradbury, 2008, p. 1).

In this project the action researchers facilitated dialogues between managers and unions in the companies, suggested actions that could be taken to improve the participants’ current situation, were part of the team that implemented the changes, and performed cycles of reflections and new actions. This is in accordance with elements described in action research.

The elements that describe action research are that AR is a set of practises. These practises are a response to people’s desires to act creatively in the face of

Reorganising the workplace: factors that affect implementation of broad participation practical and often pressing issues in their lives; AR calls for engagement by people. This engagement in collaborative relationships creates new “communicative spaces” in which dialogue and development can grow; AR draws on many ways of knowing, both in evidence generated in inquiry and its expressions in diverse forms of presentation as the involved share learning with a wider audience; AR is value oriented as it attempts to address important issues in empowering people and their communities or organisations; AR is a living process. This process cannot be predetermined but changes and develops as those involved deepen their capacity as co-inquires both individually and collectively (Reason & Bradbury, 2008, pp. 3-4).

Based on this Reason and Bradbury define action research as:

“...a participatory process concerned with developing practical knowing in the pursuit of worthwhile human purposes. It seeks to bring together action and reflection, theory and practise, in participation with others, in the pursuit of practical solutions to issues of pressing concern to people, and more generally the flourishing of individual persons and their communities.”

(Reason & Bradbury, 2008, p. 4)

In the change project practical solutions and changes were tested to improve collaboration between managers and unions, and thereby create growth for the company.

There are different traditions of action research from the co-operative inquiry and learning in small groups, via action research in own organisation to political revolution. In action research the main goal is to help and empower the actors in the process. The researchers must produce practical knowledge as well as academic knowledge.



Another tradition of action research is the “Co-operative inquiry” by Heron (1996). He states that his version is a form of “participative, person-centred inquiry which does research *with* people not *on* them or *about* them” (Heron, 1996, p. 19). He extends the Human Rights Act to include peoples’ right to choose whether or not to participate as a subject in a research project. Heron bases the action research process on the development of each participant’s individual perceptions. Over a number of action and reflection phases, a group of individuals need to agree on a development path. This process should not have a clear aim, but rather be constructed along the way. In the action phase all participants make action, and in the reflection phase all participants reflect. Heron believes that researchers learn through the practical process.

Coghlan and Brannick (2005) argue that the action research process should have a clear aim, defined early in the process (Coghlan & Brannick, 2005, p. 169). According to these authors, learning happens on two different levels: The researchers’ academic learning after the process is complete, and the other participants’ learning while they act and reflect. The authors claim that an action research project could contain two action research projects, the “core” action research project and the “thesis” action research project (Coghlan & Brannick, 2005, p. 48).

Greenwood and Levin (2007) state that action research can be thought of as a process with at least two different analytically distinct phases. The initial research question is clarified in the first phase, with the second consisting of initiating and continuing to use a process of social change and meaning construction (Greenwood & Levin, 2007, p. 93). The tradition of action research that Greenwood and Levin belong to is one based on the pragmatic philosophy of Dewey and Peirce: Action research is context bounded, and should be used to solve real problems. Knowledge is generated

Reorganising the workplace: factors that affect implementation of broad participation in collaboration between researcher and actors taking part in the process, modelled through the co-generative model. There is a cycle from construction of insight, to actions that gives more insight in the actual problem. Grounded in pragmatic philosophy, the found solution is valid if it works; there is no need to seek the ideal solution.

My position of action research is close to that of Greenwood and Levin. When promoting collaboration between managers and unions, different actions are taken until the result satisfies the actors' requirements. The knowledge generated both by the researcher and the other actors is dependent on the actual context. The problems to solve are real problems for the companies, and the solutions are ones that best suit the companies. During this process, the researchers and the other actors are looking for solutions that work, not the optimal solution.

This action research is performed in a group of companies. To be able to improve the participants' situation, the action researcher and the members of the organisation must collaborate in both performing actions and learning from them. Even if the researcher is part of a project team and has his office at the company's headquarters, he is still an outsider. However, by utilising the role of an action researcher, this person can be seen as a friendly outsider.

In an action research project in this tradition, knowledge is generated through the dialogues and actions performed, and the subsequent reflections. The members of the organisation reflect and learn from the process, improving their condition. The researcher reflects and learns from the process reporting her findings to the academic community. In addition, the researcher and the researched mutually reflect on the achieved results of the process. Neither the researcher nor the other actors have any

Reorganising the workplace: factors that affect implementation of broad participation monopoly on the truth. Given the nature of these specific conditions, overall knowledge creation could be modelled by a co-generative model.

### 4.3.3 – Co-generative knowledge creation

One way to utilise reflections in the different phases of an action research project is through the co-generative model for knowledge generation (Greenwood & Levin, 2007, p. 94), where the dialogue between researcher and the other actors on actions and reflections is central. In the co-generative model for knowledge generation, the researcher and the actors “define the problem to be examined, cogenerate relevant knowledge about them, learn and execute social research techniques, take actions, and interpret the results of actions based on what they have learned” (Greenwood & Levin, 2007, p. 93).

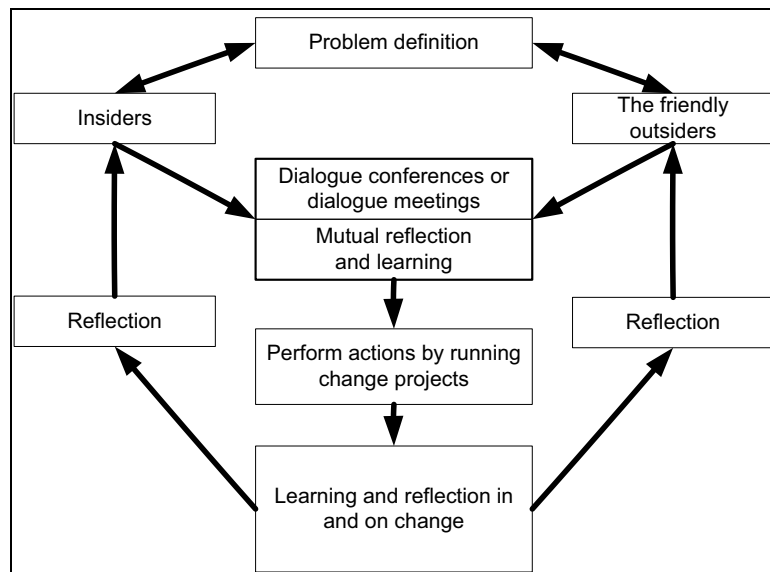


Figure 6: The co-generative model, adapted from Greenwood & Levin (2007)

The members of the organisation (insiders) and the action researchers (the friendly outsiders) discuss organisational challenges; run change projects, and learn and reflect

Reorganising the workplace: factors that affect implementation of broad participation on the results achieved from the changes. There is a separate reflection feedback loop for insiders and for outsiders (see figure 6 above), but they also reflect together.

In action research, the co-generative model for knowledge generation is a way to describe the dialogue between researchers and the other actors to gain knowledge valid both for both parties. In the mutual learning and reflection phase, it is important that the researcher and the others understand each other.

#### **4.3.4 – Fusions of horizons**

People need to understand each other in dialogue, and each party needs to speak in a way that's understandable to the other. To create this understanding in the dialogue you must take the other person seriously and listen carefully to what the other has to say. In Skjervheim's (2002 [1957]) words, you have no other choice than to participate in the discussion—you are never an observer. A participant takes part in the dialogue by reflecting on what the other say, and by taking her seriously; being part of her world. An observer treats what the other person says as a fact and thus not reflects on it at all. According to Skjervheim, it is essential for social science researchers to participate in discussing people's thoughts and reflections, not treating them as facts (Skjervheim, 2002 [1957], p. 26). This participation requires knowledge from the researchers on the matters discussed. In addition to this knowledge, the researcher has to understand what the other means when talking to you. To uncover the meaning of her talk, you have to interpret what she says. Gadamer (1989 [1960]) claims that this understanding is created through interpretations, and defines the concept of horizon: "The horizon is the range of vision that includes everything that can be seen from a particular vantage point" (Gadamer, 1989 [1960], p. 301). This is important in the dialogue because different horizons of understanding might lead to misunderstandings. Once we have discovered the other person's standpoint and

Reorganising the workplace: factors that affect implementation of broad participation horizon, her ideas become intelligible even if we don't necessarily agree (Gadamer, 1989 [1960], p. 302). In the change project, the researchers had to know enough of the field to understand the terminology if they wanted to interpret the meaning of different words and phrases and make the interpretation intelligible. To be able to do this, researchers consistently asked questions to clarify points. Some of the questions could lead to laughter by the skilled workers, but even so these questions must be asked. This is the action research argument for fusions of horizons.

Gadamer points to the importance of understanding, and interpretations are a central element in this hermeneutics. The realisation that it is important to interpret is also in focus in the constructivists' view of society; that the reality is socially constructed (Berger & Luckmann, 1966) and needs to be interpreted. According to these authors, the reality of everyday life presents itself as a reality interpreted by men and subjectively meaningful to them as a coherent world. Language marks the coordinates of our life in society and fills it with meaningful objects. The reality of everyday life is shared with others, often through interaction in a face-to-face situation where the other's subjectivity is available to me through many symptoms. This means that people together produce a human environment, with the totality of its socio-cultural and psychological formations being meaningful. I support this constructivists' theory of science position.

Interpretations are important to understand what is going on. In this dissertation my interpretations are presented and argued for. These interpretations could be wrong, and the reader might have other, better interpretations of the case. The intention is to present the context and the actions performed in such a way that readers have enough knowledge to validate the presented construction of the findings and conclusions. This is done by presenting details of the environment and the

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#### **4.3.5 – Thick description**

The goal with describing the context in this dissertation is to present the case in a way that readers not only can follow the interpretations, but also can make their own conclusions. According to Geertz (1973), there are a number of characteristics of cultural interpretations which makes its theoretical development more difficult than usual: The first is the need for theory to stay closer to the ground than tends to be the case in the natural sciences, to be more able to give themselves over to imaginative abstraction. The movement is not from already proven theorems to newly proven ones; it is an awkward fumbling from the most elementary understanding to a supported claim that one has achieved and surpassed. The second condition of cultural theory is that it is not predictive, at least in the strict meaning of the term. An interpretive science suggests that the distinction that appears in the experimental or observational science between description and explanation appears here as one, even more relative, between inscription (thick description) and specification (diagnosis). There is a distinction between the meaning particular social actions have for the actors, and what this knowledge demonstrates about the society. The essential is not to answer the deepest questions, but to make available answers that others have given, and thereby to include them in the consultable record of what man has said.

As this work is action-research based, knowledge creation both for the actual organisations and the researchers are important. The co-generative model for knowledge generation is used to model this knowledge generation. In the dialogue between the researcher and the other actors, it is important that they understand each other—that they have the same horizons of understanding. These understandings

Reorganising the workplace: factors that affect implementation of broad participation represent interpretations of what is going on, and the presentation of the case is based on thick description so that the readers should be able to follow the interpretations and conclusions and at the same time make their own interpretations.

The presented context is based on interpretations of what happened in a change project when broad participation was introduced in a group of 18 companies. The introduction of collaboration between managers and unions in two of the companies in the group, and at group level, is the case presented and analysed in this dissertation. The starting point for the analysis is case study research methodology.

#### ***4.4 – Data types and amounts***

This dissertation is based on data collected during the change project, and additional data gathered during the PhD-study. The data collected is (See appendix 1 for a detailed overview):

- 2 research reports from Western Norway Research Institute
- 2 applications for funding of change project from the group
- 2 action plans
- 1 reflecting (philosophical) paper – University of Bergen
- 2 concluding reports from group (pre-project and main project)
- 9 reports with reflections from dialogue conferences and collaboration conferences
- 13 researcher's reflections (memos)
- 10 minutes of meetings from conferences
- 257 newspaper articles from the local newspaper
- 9 interviews, each 1-4 hours
- 2 films

In addition, I have spent 122 days working at the group's headquarters.

## **4.5 – Data analysis**

### **4.5.1 – Case study selection process**

This is a case study investigating what enables and hinders implementation of broad participation in a group of 18 companies. In the study, the focus is to understand what happened when broad participation was attempted in a group of companies. Two of the companies in the group are selected: one that succeeded in introducing broad participation and one that failed; these two companies represent the extremes in the case study. Two different views of the case study as a research methodology (Stake, 1995; Yin, 2003) are presented: Yin prefers multiple case studies and generalisations, while Stake prefers single-case studies that conclude with an understanding of the case.

Yin defines a case study as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 2003, p. 13). According to Yin, the strength of the case study is that it both covers a contemporary phenomenon and its context. He also claims that case studies can be used for exploratory, descriptive and explanatory purposes. An explanatory case study can be used to make causal inferences (Yin, 1981, pp. 98-99).

Yin defines two basic types of designs for performing case studies for explanatory purposes: The single-case design to test theory and the multiple-case design where conclusions are drawn from a group of cases. Yin argues that while the multiple-case study is the best, that single-case studies could be performed in extreme



Reorganising the workplace: factors that affect implementation of broad participation cases. Stake, on the other hand, argues that a single-case study is important to illuminate a phenomenon.

Stake does not define what he means by a case but he defines a case study as “the study of the particularity and complexity of a single case, coming to understand its activity within important circumstances” (Stake, 1995, p. xi). He further claims that a “case study is not a methodological choice but a choice of what is to be studied” (Stake, 2000, p. 435).

Stake defines three types of case studies: The intrinsic case study where the researcher wants a better understanding of this case, the instrumental case study where the researcher wants insight into an issue or to redraw a generalisation, and the collective case study which is an instrumental case study extended to several cases. Stake advocates using the intrinsic case study. He argues that the search for particularity competes with the search for generalisability, and that what should be said about a single case is different from what should be said about all cases. Further he claims that most of the writings on case study methodology are done by people who presume that the research should contribute to scientific generalisation, even though the case study work often “is done by individuals who have intrinsic interest in the case and little interest in the advance of science” (Stake, 2000, p. 439). This is an intrinsic study with three cases.

Researchers try to understand what is important about an actual case, its thick description. According to Stake it is possible to see intrinsic case studies as a small step toward generalisation, but “Damage occurs when the commitment to generalize or to theorize runs so strong that the researcher’s attention is drawn away from the features important for understanding the case itself” (Stake, 2000, p. 439). Stake warns researchers who attempt to compare different cases. He argues that it is

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The context of this project depends upon the real-life work in different companies. The boundaries between the research project and the environment (local society) are not evident. This is a case study that uses both Yin’s and Stake’s definition. Yin prefers multi-case design and this leads to a comparative or quantitative analysis. Stake focuses on the understanding of the single case, and this points in the direction of a qualitative analysis. My research is based on findings in an intrinsic base study based on three cases, and my goal is to research what hinders or enables implementing broad participation. In the study, two extreme cases are presented: One company that succeeded in implementing broad participation, and one that failed. The third case is an aggregated case on the group level. It could be possible to generalise from this study, but the primary goal is to understand the case. As the focus is to understand the intrinsic case, Stake’s method of performing case studies is therefore used in this dissertation.

#### **4.5.2 – Considering qualitative data analysis**

As accounted for previously, data for this dissertation comes from minutes, interviews, researcher memos, and mutual reflections on results of actions performed. Participants approved all meeting minutes, and transcribed interviews were sent to those who were interviewed for comments and approval. The minutes and transcriptions used in this dissertation are the approved ones. The content is textual or oral, and all stored as electronic files. This data is presented using thick description.

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The selected method is one where interpretations are important. Data is analysed in order to answer the research question on what enables or hinders implementation of broad participation in companies. To interpret textual and oral data, a qualitative method is selected for data analysis.

All textual material is saved in a computer repository, using NVivo (Bazeley, 2007), a computer tool developed to handle qualitative research. These notes are written in English. The agreed minutes of meeting are written and stored in Norwegian, and translated to English by me for use in this dissertation. The interviews are transcribed based either on notes from the interviews or the taped interview. NVivo is used as a tool to transcribe the interviews.

Geertz (1973) believes the importance of a data analysis being grounded in the presented data. One method that does just that is Grounded Theory (Glaser & Strauss, 1967), which is qualitative data analysis and theory development grounded in qualitative data. Grounded Theory (Charmaz, 2006; Corbin & Strauss, 2008; Glaser & Strauss, 1967; Strauss & Corbin, 1998) was developed in the 1960s when science was heavily influenced by positivists, who advocated that there was an objective truth and that scientists, by observing hard enough, could uncover this truth. Natural scientists, with their counting and observations, were the ideal for social scientists, and as a consequence quantitative analysis was the valid method in social science:

“Only ‘hard data’, consisting of observed and preferably quantified behaviors or enumerations, are valid; ‘soft data’, encompassing the experience of participant observers, in-depth interviews, case studies, historical writings, and introspection, are excluded” (Collins & Makowsky, 2005, p. 9).

Qualitative research was relegated to preliminary work for conducting surveys:

“Qualitative research was to provide quantitative research with a few substantive categories and hypotheses. Then, of course, quantitative research would take over, explore further, discover facts and test current theory”

(Glaser & Strauss, 1967, pp. 15-16).

Glaser and Strauss developed Grounded Theory originally to utilise qualitative data in a rigorous scientific manner, making qualitative research as “scientific” as quantitative research. Grounded Theory has been accused of being too positivistic—looking for the theory—however, this could be an incorrect interpretation as Glaser and Strauss wrote for positivists, and therefore had to use a language that positivists understood (Stern, 2009, pp. 58-59). Since the 1960s, Grounded Theory has developed in different directions: One path following Strauss with a focus on interpretations (Strauss, 1987), and another following Glaser, which focuses on the emergence of theory (Glaser, 1978). The constructivist’s version of Grounded Theory by Charmaz (2006) is based on ideas from both Straussian and Glaserian Grounded Theory (Morse, 2009).

Charmaz assumes that neither data nor theories are discovered. The researcher is part of the world she studies and the data she collects, constructing her Grounded Theory through “past and present involvements and interactions with people, perspectives, and research practices” (Charmaz, 2006, p. 10). In Grounded Theory, the data speaks for itself, with the developed theory based on data collected.

#### **4.5.3 – Actual method for data analysis**

In this research, the data was labelled using descriptive names. In the beginning of the analysis, labels were selected based on my pre-understanding of the situation. During the analysis process, other labels were introduced after interpreting

Reorganising the workplace: factors that affect implementation of broad participation data, and labels changed when a deeper understanding was created. When all labels were developed, the next step was to look for similarities throughout.

The first part of the data analysis was to find similarities in the data and code these elements giving them descriptive names. By doing this, a relation was created between the theme (the code), and quotes or other interesting data elements.

Labels were grouped and through successive levels of coding, elements that described different aspects of the organisation and how it works were grouped and related to the actual theme. Memos were written about the labels, the comparisons, and other ideas about the data. These labels were used in the analysis and helped identify both the important elements in the analysis, and where in the material to find support for the created interpretations.

Gradually, a repository of the coded reflections, quotes, and the relationships between them, is built in a database in NVivo. This coded repository is used in the analysis. In the reflection phase, this repository was used when searching for the important elements in understanding what hinders or enables broad participation: the arenas for collaboration, the unions' willingness to take part in development work, management allowing unions to take part in development work, the organisational history, and support from LO and NHO through HF. The actual interpretations have been discussed with the union leaders, managers, and employees in the actual companies.

#### **4.6 – *Validity: credibility and authenticity of the findings***

According to my theory of science position, the social world is constructed. There is a reality, but people interpret it, and these interpretations lead to constructions that are different (Denzin & Lincoln, 2000, p. 18). The research is based on data collected and presented in this dissertation, and my interpretations of it. My

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view is that this interpretation is valid as long as no better interpretation is made, denying the positivistic standpoint that validity is a matter of “the” truth. There is no single truth. Validity is a matter of both the credibility (Greenwood & Levin, 2007) and authenticity (Guba & Lincoln, 1989) of the presented research. Credibility is defined as the arguments and processes necessary for having someone trust the presented results (Greenwood & Levin, 2007, pp. 66-70). The authenticity requirement is to provide arguments to ensure that the presented constructions are sufficiently genuine (Guba & Lincoln, 1989, pp. 245-251); that they are rigorous in the application of method—both in community consent and form (Lincoln & Guba, 2000, pp. 180-181).

According to (Greenwood & Levin, 2007, pp. 66-70), there are two different forms of credibility. The first is internal credibility that requires that participants in the project trust the results. In this case, findings were discussed with the researched as Heron suggests (Heron, 1996, p. 36). To be able to discuss the findings in “the real world”, a language was used that those being researched would understand. Data was gathered during my work of being part of change processes in a group of companies. The change project was conducted for six years, with participating researchers serving as friendly outsiders in the companies for the entire time. The written reports from the dialogue conferences in all companies were agreed upon by those who participated, including managers, union leaders, and employees. After each interview a report was made and sent to the interviewed for approval. The résumés and quotations presented are all based on these approved data. The presented findings in this dissertation were discussed with the insiders in the companies, but the final conclusions are mine. By involving the participants in this manner, I claim that the participants trust the results—and that internal credibility is in place.

The second type of credibility defined by (Greenwood & Levin, 2007) is external credibility. This involves external judgement: Is the result presented in a way that is believable to those who did not partake in the process? My goal was to present a thick description of the data and the conclusions; to present the data, the findings, and the analysis that lead to the findings, as detailed as necessary for other researchers to judge the research to make their own conclusions on the credibility of my findings. It was also a goal to present the research in a way that people outside the research community could judge the credibility of my conclusions. It is up to the readers to decide if I have succeeded.

Guba and Lincoln (1989) claim that validity in constructivism differs from validity in positivism. Validity according to the positivists consists of internal validity, external validity, reliability, and objectivity (Guba & Lincoln, 1989, p. 234).

In constructivism, the match between the findings and the constructed realities of stakeholders and the realities represented by the researcher is defined as the credibility (Guba & Lincoln, 1989, pp. 236-241). In this case, the reports written by the researchers and this dissertation written by me are discussed with the stakeholders, and they have had the possibility to change the presentation. This is according to the credibility criterion. Further, the constructivist claims transferability, an empirical process checking the degree of similarities between sending and receiving contexts (Guba & Lincoln, 1989, p. 241). Transferability is always relative and depends on the degree salient conditions overlap or match. In this research, data from a group of companies is presented and a construction of the findings is presented. The third constructivist criterion, dependability, states that changes occurs during a research, but these changes must be both tracked and trackable, so that other researchers can “explore the process, judge the decisions that were made, and understand what salient

Reorganising the workplace: factors that affect implementation of broad participation factors led ... to the decisions and interpretations made” (Guba & Lincoln, 1989, p. 242). In this case, thick description (Geertz, 1973) is used to ensure, dependability, that the process is described in a way such that changes are tracked and trackable. The last criterion according to constructivism is confirmability, is concerned with assuring that data, interpretations, and outcomes of research are rooted in contexts and persons apart from the researcher and are not part of his imagination. The constructivists demand that integrity of the findings is rooted in the data themselves, that data “can be traced back to their sources, and that the logic used to assemble the interpretations into structurally coherent and corroborating wholes is both explicit and implicit in the narrative of the case study” (Guba & Lincoln, 1989, p. 243). In this research, quotes are presented, and my interpretations of these quotes are accounted for.

Guba and Lincoln (1989) further claim that a piece of research is valid if the performed constructions are sufficiently authentic. They define five different authenticity claims: fairness, ontological authenticity, educative authenticity, catalytic authenticity, and tactical authenticity (Guba & Lincoln, 1989, pp. 245-251). I argue below that this research is authentic in all five dimensions:

This research is fair, because I have made a balanced presentation where all involved were asked, and where all voices were heard throughout the research. I asked the two owners for interviews at several occasions, but they turned these requests down. The others asked for an interview said all yes. This created a challenge to balance the presentation, and to find secondary data sources to compensate for the lack of some first hand data. The secondary data is compared and evaluated to make the presented result as fair as possible to the owners. All voices in the company are heard, but it was not possible to present all voices in this dissertation. The voices that



Reorganising the workplace: factors that affect implementation of broad participation helped to illuminate the research question were selected, and possible voices with different viewpoints are presented as often as possible.

The research is ontologically authentic. I have worked with the companies for years, and during this period I have reached a high level of awareness. When the employees discussed special happenings or work operations that I didn't know, I asked clarifying questions.

The educative authenticity is in place. The level of awareness by people I came in contact with was high. Data was collected both from written material and through discussions with the employees. These discussions took place in face-to-face interviews, in-group interviews, and around a canteen's lunch table. The interviews were transcribed and sent to the interviewed for comments. As mentioned above, some of the discussions and data are left out, but no one required that their expressions should be removed—any omissions are completely of my own choice. While there could have been issues I was not told about, I trusted the employees' awareness.

The catalytic authenticity is defined as the ability to prompt actions on the part of research participants. As this work is based on action research, actions are an integrated part of the process. Actions by the participants were a premise to run the change project in the first place, and during the project different actions were performed in collaboration between managers, employees, and researchers. The results were mutually discussed with the employees and managers and new actions were decided upon. The requirement of catalytic authenticity is therefore met.

The last of the authenticity demands from Guba and Lincoln (1989) is tactical authenticity, defined as training participants to take action. This is an action research-based change project, with one of the goals being to introduce broad participation in

Reorganising the workplace: factors that affect implementation of broad participation the group. This occurred through conducting dialogue conferences, developing action plans, performing actions—and mutually learning from this process to start new actions. Therefore, the authenticity demand is met in this research.

Based on these arguments, I claim that this research meets both the credibility claim by Greenwood & Levin (2007), and the authenticity claim by Guba & Lincoln (1989). Also, the research is valid based on the criteria defined according to constructivism, my theory of science position.



## **Chapter 5 – Industrial Relations System**

The first component of the theoretical model states that the Industrial Relations System affects implementation of broad participation in companies by influencing unions/employees, management, and organisational routines. According to the model, this influence could range from funding of change projects to knowledge transfer toward companies that perform change projects. Therefore, the sub-question becomes: How has the Industrial Relations System influenced the change process? To answer this, I analyse the influence from the Industrial Relation System both at a group level and within two specific group companies, the Forge and the Laboratory.

### ***5.1 – HF's support to the group***

The Joint Programme (HF) is an institutionalised collaboration between the actors in the Norwegian Industrial Relations System at a national level. One of HF's main goals is to help to company managers and union leaders realise peaceful collaboration. The change project was funded by several sources: the group itself, HF, the unions, and a regional development company.

The project was developed in a dialogue between the group, researchers, and representatives from the Industrial Relations System. During this process—at the point in 2003 where the plans for a change project should be settled—LO, the trade union, interfered. The first idea was to start the process by arranging dialogue conferences in the companies where the companies' main customers were present, and a project plan was created accordingly. However, the LO representative responded very negatively to the idea and threatened to withdraw funding if this approach was selected for the funding application. He argued that to arrange inter-

Reorganising the workplace: factors that affect implementation of broad participation company dialogue conferences would make it difficult to achieve the goals of broad participation and democratic dialogues. According to the LO representative, the change project had moved too fast. His argument was that the employees and managers first needed to learn how to collaborate. When the point of departure was no collaboration, it would be unwise to invite people from outside the company when learning how to collaborate. Instead he proposed to organise smaller internal conferences in each of the companies, so that managers and the employees would familiarise themselves with working together and start searching for mutual challenges instead of discussing predefined development goals (Hildrum & Strand, 2007, p. 84). The companies and researchers accepted these changes, and when the final application for funding was submitted, dialogue conferences in each company was proposed as advised from LO.

A collaboration conference was arranged to start the conversation between managers and unions; a number of smaller dialogue conferences, one in each company, were also arranged during the change project. There was an open agenda in each conference as requested. HF representatives were present at four of the eight dialogue conferences.

In addition to funding the change project, HF also contributed with knowledge transfer at the group level. In advance of the collaboration conference, HF arranged separate meetings with the managers and unions to help prepare for the dialogue at the conference. Representatives from HF arranged the collaboration conference at Svanøy where they introduced the Basic Agreement between LO and NHO to the participants. The conference included a discussion with management and unions on different areas that could be part of a change project. Members from the HF secretariat took part in

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the two dialogue conferences for the union leaders in the group using their knowledge of similar processes in other Norwegian companies.

HF representatives also suggested potential actions. An example of this was the suggestion to establish an alliance of unions in the group to handle the fact that the selected group structure made it difficult for unions to utilise collaboration and discussions with management on issues of common interest at a group level. The alliance of unions should be a meeting arena for all leaders to discuss union matters across the companies' boundaries. This was a first step to create an arena for peaceful dialogue between managers and unions at a group level.

The change project was run according to a two-stage model with a pre-project and a main project. The agreement was that four companies in the group should try to implement broad participation in a pre-project. Based on the experiences from these four companies, the group would decide if they should apply for funding to conduct change projects in all 18 companies in the group. The final report from the pre-project states that:

“The changes are planned in all companies in the group and are anchored in a strategic decision in the group’s management. Both the employees and management agree that development of the participative collaboration in the companies and across the companies are very important in order to achieve permanent and good results in the struggle to change the group.”

Other quotes from the final report from the pre-project:

- “The employees say that the conferences have been useful, and that these kind of meetings should have been arranged long ago.”
- “The conferences have been useful, goal-oriented, and that many practical and important themes that the companies can work further on appeared.”

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- “In the participating companies, the ways to collaborate have changed and developed as a result of the project. More collaboration between management and employees, represented by the unions, has emerged.”

Further, the report from the pre-project stated that:

“HF has contributed with content, drive, funding, and important support throughout the whole pre-project.”

The final report from the pre-project concluded that:

“The group and the project owner consider the change project as an important building block in the further development of the group. A change of focus in the group from production-oriented to market-oriented is vital. To start and keep this development process going, the collaboration between management, union leaders, and the employees is a basic premise. The pre-project has allowed more employees to contribute with ideas on how to develop the company they are employed at. The arenas and the trust that are created guarantee better communication in the future. The companies that have participated in the HF pre-project have agreed on action lists where responsibility and deadline are set on a number of changes that will lead to continuation of the good processes started in the project.”

Members from the HF secretariat were observers at the change project’s board, and met at most of the board meetings. Board members attached importance to their opinions, and they essentially acted as ordinary board members. The progress of the change project was reported quarterly to HF.

During the change project, HF representatives motivated and educated union leaders, management, and the researchers. At one of the dialogue conferences a union leader said:

“I have participated in the planning of the change project from the beginning, because it is mandatory to anchor the project in the unions and among the employees. The experiences from earlier projects are not very positive, but now I feel a change because people outside the company follow up with the project and help us keep focused on the change process.”

The final report also paid attention to the support from HF:

“The professional contributions from the HF secretariat have been a great support in running the project. We will especially mention the efforts and contributions at the collaboration conference at Svanøy and when the alliance of unions was established. The regional representatives from LO and NHO have been good discussion partners both for the union and management throughout the whole project. HF’s economic contribution has been an important premise to start and complete the development project.”

Further, the report from the group concluded that “there would never been run such a change project in the group without the support from HF.” According to the group, the conclusion is that the knowledge resources and the funding from HF were vital for the change project.

The data above was presented in order to describe the influence that the Industrial Relations System (Dunlop, 1993) had on the change project. The group stated that there would be no such change project without support from HF, and this is also my conclusion. The whole change project was designed to satisfy HF’s requirements.



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The change project was based on the needs from the group of companies and funded by HF. To receive funding, the project had to be designed according to HF's requirements. One of the fundamental tenets of Norway's Industrial Relations System is the finding from the Industrial Democracy Programme that while representative democracy in the workplace is important, it is also crucial that employees directly participate in development work (Emery & Thorsrud, 1976; Thorsrud & Emery, 1964, 1970). This dialogue and interaction between different stakeholders in the work place is important in work life (Gustavsen, 1992). In general, HF supports projects that create improved peaceful collaboration between managers and employees, and therefore it was a premise that the project should create a better dialogue between managers and employees at a group level. This was an area that the group hadn't prioritised in the past, and probably wouldn't have prioritised without HF's influence.

The group of companies is situated in Western Norway. Gulowsen (1987) points to the fact that there are regional differences in Norway when it comes to the strength of unions. In the region under study, unions had no experience utilising broad participation. HF, and its mission to support implementing of broad participation in companies, was almost unknown to the companies at project start-up. The CEO knew HF and had been part of a change project in the region that was funded by HF in the past. As far as I have determined, these two projects are the only ones that HF funded in the area in the past ten years. A consequence of this was that collaboration between managers and unions not was a focused issue in the region and that HF, as part of this project, played an educative role in the region by teaching both managers, unions, and researchers the importance of broad participation. This gave HF an important role in the process. From a researcher's point of view, this is interesting because much of the research on broad participation in recent years (Gustavsen, et al., 2010; Øyum, et al.,

2010) involves companies with a long tradition of close collaboration between managers and unions. This is not the case in this research, which looks at a group of companies with no experience on utilising broad participation in an area with no tradition for close collaboration between managers and unions.

As part of the change project's board, HF played at least two important roles. The first was how HF representatives were a counterweight to the local power dominance by management in the group. Management had different active collaboration arenas, like the Technical Advisory Board and Professional Groups, but the unions had no experience working together to face management; unions had no experience utilising a collaboration arena across company borders. It was important for the process that HF was part of it and supported the local actors in their struggle to build a better dialogue. Therefore, HF support was especially important for the unions. The second role was that the board members from HF defined the limits for the change project's mission. From time to time HF had to remind the other project actors which expenditures were legitimate and which were not. For example, buying a digital camera to document the project was not legitimate.

Their knowledge and their willingness to share this knowledge with the other participants at a group level was of special importance as long as none of the other participants in the project had any experience running a participative enterprise development project. In addition, their networks were important. HF suggested collaborating with the Work Research Institute (WRI), and invited managers and unions to take part at the national meeting place "Småtinget".

HF had also a special eye to how the group was organised. In a group of companies organised like the actual group with "independent" companies, unions have no legal right to be heard. In such cases, the unions must organise, creating

Reorganising the workplace: factors that affect implementation of broad participation collaboration across companies' boundaries like the alliance of unions, to raise their voice. In particular, LO's representative in HF was worried that in the future big companies will split into smaller, specialised independent companies, and that this will cause challenges for the unions—exactly like this case. One result of this division is that unions will have less impact than before. An experiment like the one in the change project, where an alliance of unions was established, was important for LO in order to gain experience trying to cope with this undesired splitting—for them—of companies.

My conclusion is that HF played an important role to promote the change project at group level. Probably, there would have been no project without funding from HF, and the project would not have promoted broad participation without HF's requirements. By being members of the change project's board, HF representatives also influenced prioritising of actions to be taken in the process. They also helped keep the project focused on its overall mission of broad participation.

## ***5.2 – HF's influence at the Forge***

How did the Industrial Relations System influence the change project in the Forge? First, it is important to recall the Forge's history: The owner took over the Forge in 1981. One of his first actions was to invite the union to elect a representative to the company's board, and a union representative has been a member of the board ever since.

The managing director and the union leader both took part at the Svanøy meeting in 2004. During the change project, a dialogue conference (Pålshaugen, 1998) was arranged for managers and employees at the Forge. The 30 employees were invited to the conference by a letter from the managing director to all employees. The conference lasted for two days, from lunch to lunch. The Forge was closed when

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the conference was arranged. While no HF representatives participated, they did take part in conference planning. From the conference's report:

“Western Norway Research Institute has little experience with work life research and after a suggestion from the HF secretariat, the Work Research Institute (AFI) has assisted in planning and running these conferences.”

The Forge's managing director and union leader were members of the change project's board that met quarterly during the project. Here they met HF representatives and took part in the board's discussions. By funding the change project, teaching the managing director and union leader about broad participation at the collaboration conference, and planning the dialogue conference in the company, HF supported the change process in the Forge both with financial and knowledge resources throughout the entire change process.

My interpretation of this data is that HF influenced the change project in the Forge. The Forge is a company in the group and as concluded above there would not have been a change project in the group without HF's support. It follows that the change project in the Forge also was dependent on HF's contributions. By taking part at the Svanøy meeting, both the union leader and the managing director in the Forge were introduced to broad participation by HF. By being part of the planning committee for the dialogue conference and invite the Work Research Institute to facilitate the conference, HF also influenced directly how the conference was arranged in the Forge. An understanding that participation by unions is more than the unions being part of the company's board was emphasised by HF. The conclusion is that HF supported the change process in the Forge both financial and by knowledge resources throughout the whole change process.

### **5.3 – HF's influence at the Laboratory**

The Laboratory's needs were to increase their earnings and to attract new customers. During the change project, a dialogue conference was arranged for managers and employees at the Laboratory. The conference was jointly arranged and planned by the managing director and the union leader. Neither representatives from HF, nor representatives from the change project team, participated at the conference nor took part in the preparations beforehand. The managing director and the union leader both agreed that it was an important and necessary conference, and that the achieved results as shown in the agreed action plan was good. HF co-funded the dialogue conference.

The managing director and the union leader from the Laboratory were not members of the change project's board, but met at one board meeting to present the results from their change project.

The story told above of the influence by HF on the change project in the Laboratory is short. That is partly because the researchers and the rest of the change project's management hardly were involved in the change project at the Laboratory. What we learned from what happened at the conference is based on what the participants told us afterwards. They all agreed that it was a great conference and that the action plan that was decided was good. The results of the conference were good, and actions including the change of organisational routines on marketing were agreed upon between the participants.

There was no knowledge transfer between HF and the company in advance or as a follow-up of the conference. The managing director and union leader in fellowship organised and ran the conference. All Laboratory management and the nine employees knew about the change project and its focus on broad participation

Reorganising the workplace: factors that affect implementation of broad participation through articles in the group's newspaper and on the group's intranet. While this could be a motivating factor for the employees to try broad participation, the fact was that the company had to change due to a decrease in earnings. They didn't know exactly what to do, but after a discussion they ended up by choosing to implement a closer collaboration between managers and employees. This has been a success and the result is a company that both earns more money and achieved close collaboration between management and employees. The managing director's role in this process was important and she acted because she had to act, not because the change project told her to act. Implementing broad participation turned out to be the answer to the company's main problem. HF's role was more as an indirect motivator; she was made aware of the idea of broad participation due to HF.

The conclusion is that the change project in the Laboratory was inspired by HF, and that HF co-funded the initial dialogue conference. The project was planned, run, and followed up by the managing director and the union leader without any knowledge support from HF. The project was run because of a concrete challenge for the Laboratory—the challenge to earn more money.

#### ***5.4 – Summary of findings on Industrial Relations System***

The influence from HF was different in the Laboratory than in the Forge. In the Forge, HF played a more direct role by presenting broad participation to management and the union leaders. HF also took part in the planning of the dialogue conference and the action plan in the Forge.



## **Chapter 6 – Organisational routines**

The theoretical model states that organisational history, which is represented by organisational routines, affects the implementation of broad participation in companies by influencing unions/employees and management, and by framing the peaceful collaboration at the arenas in the company. How are the existing organisational routines and how are they changed? The sub-question to answer in this chapter is: To what degree are existing organisational routines made with unions' participation?

In this chapter the influence from the organisational routines in the actual change project are analysed trying to answer this sub-question. The analysis is performed at group level and in two companies, the Forge and the Laboratory, of the group.

### ***6.1 – Routines at the group level***

The formal written routines of how to act were defined in the group's Quality Assurance system. This QA system was hierarchical, with the group's policy document stating the group's vision on top. The second level defined the routines on how to act between the group's management and management within individual companies. The third level listed procedures in each company, starting with the board and managing director. Customers required that each company follow their own certified quality assurance system and the companies in the group did, as their Certificate of Qualification for suppliers to the Oil Industry in Norway and Denmark proved (Achilles Information Centre, 2008). From the customers' point of view, the companies in the group complied with the rules on how to act and the companies' routines then formally were in place; the routines from level 3 on were present.



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Revisions of the routines and biases from these routines were handled according to the Quality Assurance system.

In 2004, the Group Board agreed to conduct a small enterprise development project that attempted to use broad participation as a method in four of the companies. When the project result was evaluated, both managers and unions concluded that they wished to continue with a larger project covering all the companies in the group. The project plan for this new project was discussed four times in the Group Board over a period of one year; in the end, they also agreed to start this larger project to cover all companies. But, a manager said this on the formal structure when interviewed:

“The top level in the QA system is a policy document, but between this level and the operational level in each company, the QA system is empty. That means that there are no established, written rules on how decisions are to be made at this level in the QA system. In this way, neither the Group Board nor the Technical Advisory Board are formally a part of the decision system in the group ... Everyone knows that when the Group Board meets, the decision-makers are present, but the Group Board won't make any decisions. That is up to the owners.”

There were unwritten routines of how to act. An example of this was that the companies in the group should always buy services from each other—price didn't matter. Another example was that an employee that worked in a company in the group could not leave this company and then be recruited to another company in the group, the group's rule was that it was illegal to change employer within the group.

The group of companies was owned by two locals who were heavily involved in day-to-day operations. A manager who had been working in the group for many years said:

“Both owners started their businesses from scratch. A started the Installation company alone and grew it, and B bought the Forge when he was working there. In the following years the two owners and the local community have grown together. The employees that were offered a job in the two companies were mainly from the owners’ home village. These employees were known by the owners. To a certain extent this is still the case today; most of the employees are from the owners’ home villages.”

Since the group was established in 1985, there has always been a direct line of communication between the owners, management, and the employees in the companies. This dialogue was not very active when the change project started because the number of companies and the number of employees had grown. At a group level, there was no formal dialogue between owners and unions. The unions in the group started collaborating as a result of the change project. Historically, there had been no collaboration between the unions from the different group companies when routines were decided upon; there has been no union to advance the interests of the employees at the group level.

The two owners were not completely alone when they made decisions. According to the union, owners made routines and decisions, but left formal decisions to the companies’ boards. From my research notes:

“In my interview with the union leaders they all agreed that: yes - the owners decide, but they do it through the boards and through the managing director in

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the companies. According to the union leaders the owners never interfere in the day-to-day operations in the companies.”

Another union leader with experience as a board member agreed that the board made the decisions, but he also said that:

“It looks like most of the investments in the company are made off the cuff. They are not discussed in the board meetings. The managing director must have got yes [by the owners] before the meeting.”

This was investigated further by an interview with the CEO. He said that the owners wanted to have control over the different companies themselves. Matters of common interest for the companies were handled by the owners, and by them alone.

In October 2008 the CEO of the group, who also was the change project’s lead, resigned of his own accord. The owners appointed a new project owner. Notes from my research memo at his first attendance at a project board meeting in 2009: “At the end of the meeting, AA [the new project owner] asked how the change project and the research project were funded. I gave him a brief introduction.” This walkthrough covered both the change and research projects. From my memo: “The board meeting then closed, and he asked the project team for a new meeting after lunch to discuss research project funding.” We discussed this at the following meeting and according to my notes:

“The new project owner started the meeting by saying that he felt it wrong that the group should fund the research project at all. He had talked to the two owners. They had never approved such funding and the group wanted to renegotiate. Could I think of other sources for such a funding?”

We discussed and agreed upon a strategy to try to get new funders for the research project. The meeting then ended with a closing remark by the new project owner:

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“You see, the former CEO wasn't allowed [by the owners] to enter into such a contract with you. He hadn't discussed it with them.” My reflection:

“I wonder why the CEO, who is supposed to be on top of the group's hierarchy, can't pay NOK 275.000 for a three-year research project without the owners' permission. Is there a kind of inner power circle in the group that the former CEO wasn't a member of?”

The new CEO concluded with: “The project's goal was to change the two owners and that will never happen.” I was told by the new CEO that “if the owners had known the mandate of the change project, they wouldn't have agreed to start it.”

Based on this data an analysis on the organisational routines and their development are performed.

At the Group Board the owners and some of their closest colleagues met. Taking the discussion of anchoring of the change project as a point of departure the researchers were told in 2004 that to run a pre-project in four of the companies in the group was a decision by the Group Board. Later, an evaluation of the achieved result from this pre-project was discussed in the Group Board four times before the board decided to run a larger change project.

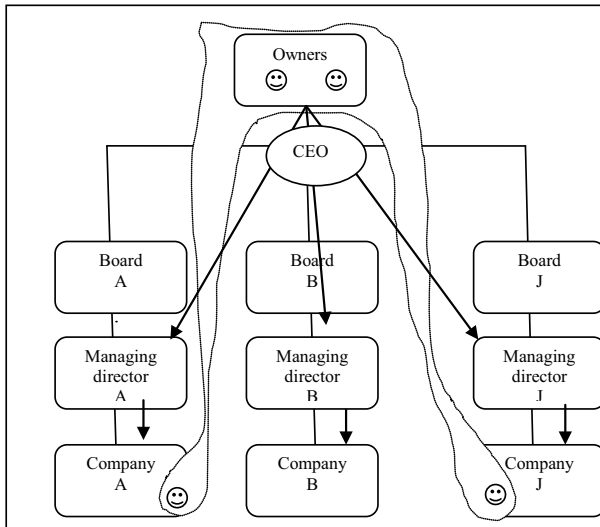
In the presentation of the Technical Advisory Board and its function in the group, it was pointed to the fact that the board both followed up with recommendations from the Group Board, and prepared suggestions for the Group Board. While that might appear to indicate that the Group Board and the Technical Advisory Board are part of the formal decision structure in the group, but this is not actually the case. They are not part of the formal system as defined in the QA system, because the QA system had no level 2 defined. That means a classical hierarchical

Reorganising the workplace: factors that affect implementation of broad participation system as defined by Weber (2000) with the two owners on top. But, one level in the system, level 2, is not formalised and that is a major break with Weber's thought of a predefined structure with clear command lines and rules. The command lines are clear, but the rules are not. Despite that these boards not are defined in the QA system, the Technical Advisory Board prepared cases to the Group Board, and followed up decisions from the Group Board. In the interview a manager told that the decision to start a change project was made by the Group Board, but in another interview he stated that the Group Board made no decisions, but recommendations to the owners that made the final decision afterwards. My conclusion is that the change project was approved by the owners based on the information given in the Group Board during the pre-project and at the four meetings where the change project was discussed.

My interpretation is that there was no level 2 in the QA system because the owners didn't want standardised routines at group level; they wanted an organisation that could act immediately when opportunities or challenges arose; a strategy that has worked well so far. This interpretation is supported by quotes from the interviewed manager. The Group Board and the Technical Advisory Board were two visible arenas in the group where organisational routines were created and changed. These two boards met whenever required and that happened only once in a while. That indicates to me that there probably exists another "mechanism" that helped the owner making the organisation as flexible as they struggle to be.

As described above I thought that the owners in the group decided everything and thus held the power in the group. The union leaders agreed that the owners really were the ones that made decisions for the group. According to the union leaders, the boards made the formal decisions throughout the various companies. Discussing this with the former CEO of the group and reflecting on incidents that has happened the

last year, my conclusion is that there is an inner circle of people in the group. This circle consists of the two owners and some colleagues that the owners trust. When the change project started the CEO of that time was not part of the inner circle (figure 7 below).

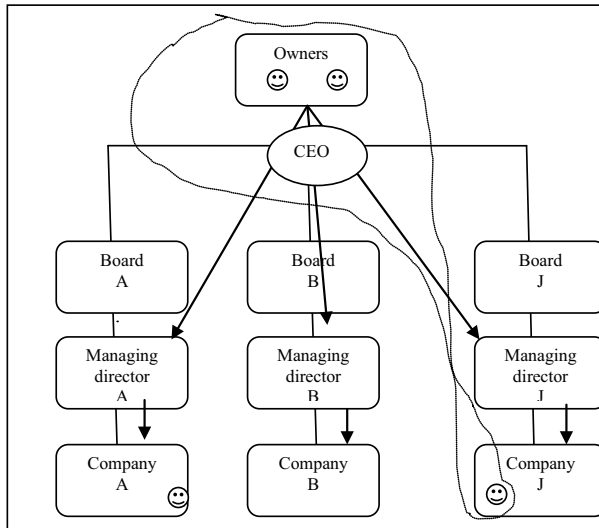


**Figure 7: The inner circle of the group at the change project's start**

The members of the inner circle met frequently and made decisions and then told the managing director and boards in each company how to act. At start of the change project the CEO in the group was not part of the inner circle as he himself said in an interview.

This interpretation of the decision structure in the group could explain what happened after the first CEO left. He was the one in the group's management that initiated the enterprise development project, but he was not part of the inner circle in the group. He was not that close to the owners. After four discussions in the Group Board, the owners agreed to start the change project, but they didn't feel too

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**Figure 8: The inner circle of the group at the end of the change project**

When the new CEO took charge of the change project, he learned in detail the goals and results achieved to date. This could be of no surprise because the project worked closely according to the plan decided by the owners at the Group Board. He discussed his worries at the inner circle, which gave the owners an opportunity to regain control of the enterprise development project by agreeing on a new interpretation of its goals and missions. This did influence the results of the change project. As the new CEO said as a closing remark in our first meeting in 2009: “The project’s goal was to change the two owners and that will never happen.”

But, was that really the goal with the change project? From my research memo:

“I find this strange. Maybe some of the stakeholders had this as a goal, but it has not been articulated during the years I have been working in the project. The project's goal has been to strengthen the marketing ‘department’ and to create a better ‘us’-feeling, trying to strengthen the group as a whole. This is both to change the employees’ attitude in the group, and make the group more profitable. I don't consider this a way to change the owners' behaviour, but if they see it like this that's no wonder that the enterprise development project ran into trouble when the previous CEO left.”

On the other hand, this extended collaboration would change the companies. Pateman (1970) stresses the fact that to participate means to participate in *something*. In companies, participation means that employees and unions participate in decision-making. The goal with broad participation in this case is that the employees and unions should participate in decision-making to a great extent (Eikeland & Berg, 1997). In a group of companies where the owners make most of the decisions, implementing broad participation could be seen as an attack on the owners. The new CEO told me that if the owners had known the mandate of the change project, they wouldn't have agreed to even start it. That is an explanation, but the project was discussed four times at the Group Board. This anchoring phase was demanding, but my impression at the time the decision was made in the Group Board was that they all agreed to proceed with the project. The two owners are both members of this board, so at that point the owners supported the idea of running a change project according to HF's requirements. The owners could of course have misunderstood the project, or they could have changed their minds, or both. The actual change came when a new CEO took over the project ownership.



During the change project the CEO left the group and a new CEO was appointed. The two CEOs had different management styles and different views of the change project. The first CEO was eager to run a change project that promoted broad participation and took responsibility for the necessary agreements at the group level in the company, by discussing it at the Group Board. The next CEO was not part of process when the project was initiated; he inherited the project from the previous CEO. The new CEO said that this project's goal was to change the power structure in the company by "trying to change the two owners." He didn't support such a change project and he further said that using company money to research such a project was wrong. After a discussion with the two owners, he concluded that the previous CEO wasn't allowed to support a research project in the first place.

The change of CEO slightly changed the focus of the change project, but the changes were small. The research project also continued in that the County Council decided to fund it. The change project continued without changing the projects' goals and the new CEO was enthusiastic when summarising the project's achieved goals at the final conference.

In November 2008 I interviewed the former CEO and asked if it was true that when he left, I sensed that four persons made the decisions in the group: the two owners, AA, and BB. He agreed. Further I asked if he was part of this "inner circle", and he said that he had been a member of the circle in the past, but was not member now. He had left the circle two years before, due to disagreement with the other members. I sent him a follow-up question on electronic mail one week after the interview: "Do you wish to tell why you left the inner circle two years ago?" He answered that he felt stuck in a responsibility-without-authority trap. This was frustrating:

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“See what happened with the funding of your research project: I had NOK 1 million a year to buy services of my own choice. I used some of this money to fund the research project, but most of the money was not used at all. Now, the owners tell you that I wasn’t allowed to spend any money of my own choice at all!”

Of an annual budget of 1 million NOK, he spent less than 100.000 NOK each year to fund the research project.

The organisational routines in the group were defined in the QA-system, but the top level, the routines between the owners and their 18 companies, was empty. The owners have chosen to keep direct control over their companies without written routines in the QA system. My interpretation is that history matters here. When the two owners joint forces and created the group of companies, the group had few employees and few companies. In this situation the managing of the group could be handled directly by the owners in a flexible way. This flexibility was required in order to develop the group of companies. “Seeking opportunities and creating values” is the group’s slogan. The whole group’s future was dependent of the two owners and that they made the right decisions seeking new opportunities. The organisational routines were then made by the owners in accordance with the situation a newly established group of companies faced. Nelson and Winter (1982) points to the fact that organisational routines are hard to change. The way to act in an organisation, once established, is difficult to change.

The group has grown. The number of companies has increased, and the number of employees has increased as well. The way to manage the group has changed. From my research memo:

“Today the system is the same in principle, but people are now able to change

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jobs, and there are engineers in most of the companies. The structure is demanding. As the number of companies has increased, I think there will be problems concerning this way of organising.”

These problems occurred, and in another research memo I wrote:

“There are rumours in group that key employees have changed employers within the group. In general, employees in the group cannot start working for another of the group's companies. The rumour is that the owners strongly disagree to this. My thoughts: This is what happens when you have to participate in more than 20 boards. From time to time you will miss a meeting and this could be the result.”

The group has been bureaucratised and the owners don't have the close relationship with all their employees as they had before. Employees miss this close dialogue. How has this bureaucratising influenced the organisational routines in the group?

At company level, a QA system is developed and it is decided by the owners that management and employees have to act according to the routines in the QA manual. How the different companies implement the QA system is for the company to decide, but prioritised areas like Health and Safety are mandatory for all companies in the group.

The QA system has also a top level, but the organisational routines at this level are not found in the system. A manager told that the owners still want to keep a flexible organisation, and that in a flexible organisation it is crucial to make decisions quickly. Written organisational routines will recess quick decisions. The consequence is that owners alone still make decisions at a group level. The group has grown a lot, but the organisational routines at the top have not changed. This is what could be

Reorganising the workplace: factors that affect implementation of broad participation expected according to Nelson and Winter (1982)—that organisational routines, once established, are hard to change. They further state that this might lead to actions that seem strange, both internally and externally. Further they state that changes in the organisational routines happen slowly as the organisation learns and adapts to changes in its environment—using the “organisational evolution” metaphor reminds one of Darwin’s evolution theory (Darwin, 2006 [1859]).

The goal with a change project is to change the way the organisation acts. This change project should solve challenges for the group by involving employees and unions in development work. To involve employees and unions in this type of change processes was a major break with the organisational routines in the group. The reason why the owners first agreed to run the project, and later told that this project should never have been run could be caused by the fact that the changes the project achieved were frightened to the owners and not according to how they would run the companies. They wanted to regain control. Based on this, my expectations are that the organisational routines at top level in the group would be impossible to change as long as the two owners are in charge. That means that involving of unions at group level will not succeed.

My conclusion is that according to the organisational routines in the group the decisions were made after a dialogue between the owners and the managers. The boards in the companies were not involved. This was also seen in the quality assurance system. It is the owners that make decisions in the companies; neither the managing directors nor the boards in the companies take part. To assist the owners when making decisions an informal inner circle of trusted powerful colleagues exists. Unions were not part of the decision structure at the group level, other than being represented in the Technical Advisory Board—one that was formally not part of the

Reorganising the workplace: factors that affect implementation of broad participation group's decision structure. There were no agreed decision routines in the Quality Assurance system regulating how to act between the companies at group level, and that allowed the owners to decide what they wanted in any situation. The owners' way of structuring decision-making routines is a central element in this analysis of the group's organisational routines.

## **6.2 – Routines in the Forge**

In this section, the history of the organisational routines in the Forge are presented and analysed in order to answer the sub-question: How were the organisational routines developed, and to what degree did unions at the Forge participate in creating these routines?

The Forge was one of the founding companies in the group and was owned by one of the two group owners. As claimed in the previous section, the group was organised in a manner where owners made decisions on important issues and notified the managing director and board afterwards. While the Forge's organisational routines were defined in the QA system, my analysis of group-level routines showed that to a certain degree, individual companies decided how the QA system should be implemented in their own context.

The employees in the Forge historically have had close informal dialogue with their owner and managing director, which was the same person. The owner discussed issues with employees while walking around the shop floor. An employee who worked at the Forge for many years said: "the owner was always interested in the union and the union's work; today the [new] managing director doesn't care." The owner still comes by and talks with Forge employees, but according to one the

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dialogue has changed: “We talk about indifferent subjects with the owner.” The employees missed the direct dialogue. An employee said:

“Yes, we want this [dialogue with the owner] to continue. We think that our present managing director is not visible enough. He is not interested in our daily work. Only when a problem becomes big enough does he arrange a meeting. In many cases we could find an easier solution by informal dialogue.”

During the company’s dialogue conference in 2005, employees complained that the only way to obtain company news was to read it in the local newspaper, and they asked why it was impossible to inform staff about important cases internally before telling the newspaper.

Even with a new managing director in place, the owner still influences the company. For example, when the Norwegian law that banned smoking went into effect, a discussion took place in the Forge about the canteen. Should it be divided in two, with one room for smokers and another for non-smokers? The discussion in the Forge stopped when the owner said: “No way will this canteen be divided.” It is now a smoke-free canteen. An employee told that:

“The owner is a strong leader. If he says yes, yes is always the result. If he says no, no is always the result. The union has been involved in negotiating travel, subsistence, and accommodation expenses—but the heavy negotiations are on wages.”

Another example is from a union leader who said: “We always had to negotiate with the owner even though he was not the managing director.” Over the years there has been a fight between management and unions. Independent of who was managing

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director, the owner always was the one that negotiated an agreement with the employees. The yearly wage negotiations often turned into a harsh fight between managers and the union—even between the union members themselves.

There were also other issues beside wages that made peaceful collaboration between management and union difficult. For years, employees had complained that they needed new equipment on the shop floor, claiming that the production tools were outdated. Suddenly, management purchased new equipment without any discussion with the employees beforehand. Not only are such discussions mandatory in advance according to Norwegian law, this situation caused turbulence with the employees.

At the dialogue conference, actions that could be taken to improve the relations were discussed. One of the issues was the location of lunch benches outside the management building and the shop floor. From the conference report:

“A matter that was discussed was to improve the peaceful collaboration both between employees and between employees and management. An issue that also was discussed was a suggestion to move the benches [outside the two buildings] together in the summer to create better collaboration among the employees and perhaps also create engagement by the employees to develop the company.”

The other issue that was decided at the conference was to try to create improved dialogue between the managing director and employees. The suggestion from the employees was to invite the managing director to Friday Coffee at the shop floor. The managing director accepted this invitation.

At the conference the participants agreed to these actions, but the actions were not carried out because the managing director prioritised other tasks.

The change project in the group focused on vocational training. The Forge had many employees that hadn't formalised their skills. The 2007 action plan for the Forge stated a goal that five employees should formalise their skills in 2008. For some time, management had encouraged employees to formalise their skills, by qualifying for the exam that gave them the right to be called skilled workers. Before the change project started, none of the employees wanted to give it a try.

The change project included a focus on vocational training, with management and the union collaborating to find ways to motivate employees. New routines were developed in collaboration with management and the union and all employees were informed both through union meetings and news articles on the group's intranet. The Forge's union leader was selected as the first employee in the group to formalise his skills according to the new routines. With these new routines, both management and unions were responsible for supporting employees who wanted to formalise their skills. This collaboration achieved good results, and by 2010 seven employees passed the exam, with another 20 in progress.

Designing new routines where management and union collaborated in vocational training certification was seen a success from both parties. In the final report from the change project, management wrote that the change project had contributed to a better understanding among the employees of the importance of vocational training. The project was credited for informing employees on how to apply, the union's positive role motivating employees was highlighted. In a discussion of the results achieved during the change project, the CEO said that the "achieved results when it comes to vocational training are very positive."

My interpretations of the organisational routines in the Forge are built on the presented data.



The routines in the Forge were created when the owner had his office at the Forge, and at a time before the owner started the group. Findings on how the group's organisational routines were created, along with quotes from Forge managers and union leaders, indicate that routines in the Forge were created in the same manner as those for the group. That means that the owner alone created them. The owner was often in conversation on the shop floor, with subsequent routines based on his type of close management. This management style has been common in the area for ages and this leads to small class gaps in the local society (Løseth, 2004). The owner and his employees met on equal terms both in town throughout the year and in the forests during hunting season. That the owner started by taking over the Forge, and then expanded his company gradually is a common way to create and develop businesses in this area. This is, according to Wicken (1997), the French way of creating business. The short distance between the owners and their employees has continued, but the system has to some degree been impersonal in that the owner's business has grown considerably. The owner now has a group of 18 companies to manage, and this could hardly be done by personal dialogue with more than 700 employees. Routines at the Forge were made at a time when the owner often visited the shop floor. While the owner was ultimately responsible for creating routines, he had the opportunity to discuss content with employees. In my discussion with employees and managers in the Forge, my impression is that he used this opportunity. Today, the situation is different. The owner has no longer his office at the Forge. Now, it is the managing director that decides how to act. The organisational routines will then change, but slowly. For a long time, the old routines were still valid, which causes problems for the employees. They were used to a dialogue with the owner at the shop floor. Through that dialogue, they could influence the way the routines were implemented

Reorganising the workplace: factors that affect implementation of broad participation and revised. This is not the case any more, as the managing director didn't prioritise dialogue and was hardly seen on the shop floor. Actions suggested by the employees, to share Friday Coffee on the shop floor and to move the benches closer together, were agreed upon but not set in action. Losing this dialogue with management caused trouble for the employees.

The employees interpreted the manager's absence on the shop floor as a sign that he didn't care about the workers like the owner previously did. The answer from the managing director was that his door was open—feel free to come over and discuss anything with me. But, for the employees it was different to go to versus being visited by the administration. An employee said that he wouldn't be seen by his fellow workers walking over to the administration building. He expressed that his fellow coworkers didn't want too close a collaboration with management. An explanation to this could be that there was an active group of employees that wanted to keep distance. That is one of the characteristics of a workers' collective system (Lysgaard, 1961). The employee did not indicate whether colleagues who walked over too often were punished by his fellows. Lysgaard claimed that this type of collective was something different than a union. If there was such a collective system in the Forge, it was different than the union. Early in the change project, the Forge's union leader was a driving force to promote the change project in the group. He took part in the collaboration conference, and represented all the unions in the group on the change project's board. He was also the union spokesman at the dialogue conference in his company. He had been a union leader in the Forge for years, but was not re-elected during the first annual meeting of the local union in 2006. It was not possible to elect a new leader in the meeting because no one volunteered to run for the position. When asking union members why the leader wasn't re-elected, the answer was that this was

Reorganising the workplace: factors that affect implementation of broad participation because of poor results in the prior year's wage negotiation. This could of course be the case, but my interpretation is that this was because he wanted too close a collaboration with management, and that the workers' collective system strongly disliked this. The result was that there fighting is still the norm, and no peaceful collaboration occurs between management and unions in the Forge.

Throughout the company's history, the union has had a member on the company's board. Thorsrud's findings were that this was not enough to create collaboration between managers and a union leader. Rather, it was the direct collaboration by shop-floor employees that was most important to consider when implementing peaceful collaboration between managers and unions (Emery & Thorsrud, 1976; Thorsrud & Emery, 1964, 1970). My findings support this.

My interpretation is that the fight between managers and employees in the Forge will continue in the future. Over time the routines will change and gradually the heritage from the owner will vanish, but that evolution probably will take time—except for one routine.

For a long time, the managing director had asked the employees to undergo vocational training, but the employees reacted negatively. In the change project, a prioritised task was to develop employee skills by offering vocational training. All employees who were not skilled workers were in the target group. The union agreed to play an active role in promoting this effort, and told employees that this certificate was not only important for the company, but also for the employees. A skilled worker receives higher pay; if the company faces difficult times, skilled workers are the last ones that must leave the company. In addition, management and the union collaboratively created a routine that told the employees how to apply for the certificate. This routine stated the employees' responsibility, the unions'

Reorganising the workplace: factors that affect implementation of broad participation responsibility, and the managers' responsibility. As a result, many employees at the Forge applied for the certificate, and many have already passed their exam. The reason for this success is not researched, but anyhow gives me hope for future development of a peaceful collaboration between the managers and the employees in the Forge.

My conclusion is that the organisational routines in the Forge were created many years ago when the owner still was present. These organisational routines were made by the owner without the union being part of the decision-making process. Management also preferred to make decisions themselves without employee participation. In this company management decided the routines and that is also the case today. The owner moved his office to the group's headquarters and a new managing director is present. The new manager doesn't have as much close contact with the employees as the owner had; there are no discussions with employees on the shop floor anymore.

The latter is probably caused by a strong workers' collective system in the Forge. This was also the members' explanation of why they didn't re-elect the union leader that was part of the change project from the start. The organisational routine was made without employee collaboration or involvement in the decision-making process. There was nevertheless one successful change of routine that came as a result from the change project; the change in handling vocational training is promising. This could possibly be explained by rational choice theory (Elster, 2007), where people always choose in a way to maximise their own profit. The employees were better paid as skilled workers, and the new qualifying routines didn't require too much struggle for the employees, which made it easier to support the new routines.

### **6.3 – Routines at the Laboratory**

In this section, the Laboratory's history of organisational routines is presented and analysed to answer the sub-question of: How were organisational routines developed? To what degree did unions at the Laboratory participate in creating these routines?

Like the situation in the Forge, the Laboratory's organisational routines were defined through the group's QA system. The group demands that routines on Health and Safety are implemented, but the implementation of other routines is to some degree up to management in the individual companies to decide.

The Laboratory was a new company. They had economic challenges, and the focus was how to earn more money. The selected techniques to cope with the challenge were to increase marketing efforts. It is unclear whether the marketing routines were missing or were in need of change; regardless, the managing director decided that new routines had to be developed. She told all employees that the company had to earn more money and that the preferred solution was to obtain new customers. When she asked for suggestions, the employees responded that maybe they all should participate in marketing at a quiet hour during the workday. After some discussion they decided to give this idea a try. New marketing routines were made according to employee suggestions. According to the new routines all employees in the company had the responsibility to do a portion of the marketing activities, like telephoning possible new customers.

To follow up with the marketing activities, regular status meetings were arranged where all employees discussed the achieved results. To have a place to meet a Sofa was bought by the company. It turned out that the marketing activities succeeded and company earnings increased—the new routines worked. Gradually the

Reorganising the workplace: factors that affect implementation of broad participation status meeting turned into a daily meeting where the managing director and all the employees planned the daily activities for the company.

The following is my analysis of the organisational routines in the Laboratory based on the presented data.

While organisational routines did exist, the Laboratory was a new company. The manager was taking part in the daily work; when she had problems concerning the company's earnings, she discussed these problems with fellow colleagues. The managing director then invited the employees to take part in the discussion of how these routines should look like, which the employees agreed to. The marketing routines were changed as a result of this discussion. The new routines included all employees in the marketing process. One of the new routines was that every employee phoned possible new customers during their spare time. A Sofa was bought and all employees met daily at nine o'clock to exchange status updates about the marketing work. Employees and management saw this introduction of broad participation that started with marketing as a success, and it was decided to include employees in other parts of the decision structure in the company. This company had a special reason to change their marketing routines: it needed to increase its earnings. Facing this challenge, the managing director discussed what to do with her employees. The result was that the new routines were made in peaceful collaboration between management and unions.

My conclusion is that, historically, Laboratory routines were made without employee input. With the purchase of the Sofa, management allowed employees to take part in decision-making. The union accepted this invitation, and the organisational routines in the Laboratory now are made in collaboration between management and employees.

#### **6.4 – Summary of findings on organisational routines**

In both companies, the organisational routines were made by the owner without the union being part of the decision-making process. Management also preferred to make decisions themselves without employee participation. This is still the situation in the Forge, but at the Laboratory, management allowed employees to take part in decision-making. The union accepted this invitation, and the organisational routines in the Laboratory now are made in collaboration between management and employees.

## **Chapter 7 – Management’s approach to using power**

The theoretical model states that management’s choice of utilising power as potestas or potentia will be brought to the collaboration arena, and will influence results. Management could choose between making decisions without involving the unions, or inviting unions to take part in peaceful collaboration. This choice by management is the choice to utilise power as potestas or potentia when facing unions. The sub-question to answer is: To what degree does management choose to allow union involvement in a company’s development work?

In this chapter, managements’ choice to utilise power as potestas or potentia in the actual change project is analysed in an attempt to answer this sub-question. The analysis is performed at the group level and in two companies, the Forge and the Laboratory, of the group.

### ***7.1 – Management’s view of power at the group level***

To what degree did management at the group level support participation by employees by involving them in development work and decision-making?

The two owners shake hands every morning as proof that they hide no secrets from each other (Hjertenes, et al., 2007). They are two local entrepreneurs that have achieved success. Both started their own businesses from scratch. After some years they decided to join forces to attract the oil industry. The group was established, and together with politicians and bureaucrats at the town and county level, they started developing an area to supply the oil industry. When Parliament decided in 1987 that the Snorre oil field in the North Sea should be supplied from town, it was the mayor that fronted the decision and told the press how important this decision was for the town. The town’s 1988 promotional film included a short interview with one of the



Reorganising the workplace: factors that affect implementation of broad participation owners of the group. He said that this was the beginning of a new era for the region. He was right. Later he and his co-owner bought the whole supply area from the other partners. This was the start of an industrial wonder in town. In 2009 more than 60 companies with 420 combined employees were present at the supply base (Danckertsen, 2009)—however, both the Forge and the Laboratory were based in other areas. In 2010, the group was the largest private company in town. This gave both respect and power to the two owners, and authorities and politicians started consulting with the owners. This power was not due to the owners' heritage—they achieved power and respect as a result of their business success. The largest regional newspaper selected the owners as the two most powerful people in the region (Hjertenes, et al., 2007). In the same article, the newspaper even claimed that the two could veto political decisions concerning the business sector in town. Their ability to select gifted colleagues that they could count on was also emphasised.

Inside their group of companies, the owners were the clear leaders who knew what they wanted. The group of companies was designed as a complete package that could offer customers a broad range of services. There was a principal plan behind the creation of the group, which the owners was created and implemented. They were trusted by their employees, who said that the owners always kept their word; one example was keeping a company running for an entire summer even if there was not enough work to do. At the dialogue conferences and during the subsequent action plan, employees clearly expressed that the owners always made the final decisions. In fact, some of the proposed actions were voted down because employees felt that the owners never would accept them. The owners had their office at the group headquarters and ate their lunch with the employees daily. They also greeted all their employees, knowing most on a first-name basis.

For an outsider like me, going to the group's headquarters was strange. Being present at headquarters for six years, I observed many interesting facts: the owners parked their cars closest to the entrance; smoking was not allowed inside, except for the offices of the two owners; the owners decided that their closest family members and friends should work in the group—so they did. The brother of one of the owners was the managing director in the installation firm for years; after finishing his education, the owner's son was appointed the new managing director of the installation company—by his father. These examples all pointed to power as an important issue when considering what enables and hinder implementation of broad participation in the group of companies.

One way of looking at power is to look at a result of the decisions made. The people who get their way in decision processes are the powerful. This is according to Dahl's (1969 [1957]) definition of power. The owners made decisions at a group level; with that, they had power over the group. Neither management nor unions in the group were involved in the decision process. However, the owners were not completely alone; they had assistance by an inner circle of their closest colleagues throughout the decision-making process. In addition the organisation chart shows a Group Board, and to some degree this board assisted the owners. As a manager said, this board didn't make decisions, but everyone knew that the two that made the final decisions were present at the board. This "power over others" is one way to look at power, and Spinoza (2000 [1677]) defines this as "potestas". According to (Lukes, 1974), this power over others could be categorised as three different views of power. The first is Dahl's (1969 [1957]), where power is linked to decisions. The way the owners ran their group—where they were the ones that made all decisions—correspond to this view. The second view of power is defined by Bachrach & Baratz

Reorganising the workplace: factors that affect implementation of broad participation (1970). Building upon Dahl's view, they extend the definition to situations where the powerful prevent some issues from being discussed at all. That means that power could not only be seen by the decisions made, but also by the non-decisions. The third view is proposed by Lukes (1974), where the powerful could control what is right and wrong—thereby getting people to act according to the will of the powerful, without the people in power having to act at all. In the actual group of companies, situations did occur when the employees said that it was no use to propose a specific action because the owners would dislike it. This was inherently accepted by the project team.

The owners utilised power according to all three views of power. They had power both over the group of companies, and the managers and employees within the individual companies. While clearly using power, they still were one of the guys who eats lunch in the canteen and talks to employees on equal terms. Their employees accepted and trusted them, and despite this use of power by the owners, employees wanted to work in the group. There was some headshaking, as expected when highly educated employees discuss concrete decisions made by the owners. To be able to keep the highly educated workforce in the group, there must be something that counterweights the owners' use of power over them. Spinoza (2000 [1677]) used the distinction between “potestas” as “power over”, and “potentia” as “power to”. This is a creative power that enables, not forces, things to happen. On the one hand the owners are powerful—even selected as the most powerful people in the area—but they also make use of creative power.

The owners not only created an industrial wonder in the region, but are also trusted by their employees. This is a result of the use of creative power. The owners are good at network building.

Digging further into how the group of companies runs, we see that the owners make the decisions. They created different arenas where management from the different companies met and discussed matters of common interest. These arenas were for the managers; no arena was created for collaboration between the unions and management at a group level. The union leaders in the different companies had no place to meet. Consequently, there was no arena-like counterpart to the owners and the management had they tried to involve the unions at a group level. The fact that the owners didn't create a meeting place for the unions could be a planned decision, or it could also be that the owners didn't look at this as their responsibility—perhaps they thought that this was the unions' responsibility. (An argument against this view is that one of the owners initiated the creation of a union at the Forge when he bought the company.) The initial result was that no union existed to take part in group governance. However, the change project initiated the creation of an alliance of unions. In an interview the new CEO said that he saw this alliance as a way to create an understanding for any necessary changes, along with harmonising routines, in the group. His comments indicated that the management at group level saw the alliance of unions as a new management tool to control the employees in the group; a new tool to utilise power as “potestas” in the group. The CEO also said that the goal with the change project was to change the two owners and that this would never happen.

The conclusion is that all power at the group level was in the hands of the two owners and their closest colleagues, and employees and unions were not part of the decision structure. The two owners were successful and named the most powerful people in the region. They were good at choosing their closest employees, and could count on these employees; in turn, the employees were loyal to the owners. They have

Reorganising the workplace: factors that affect implementation of broad participation chosen to organise the group functionally, focusing on one profession in each company.

As a consequence of these choices by the owners, unions were not invited to participate in decision-making. In order to achieve the results they needed to use creative power, power to turn ideas into action, and power to make strategic links to important networks. They also used power as a means to command and force employees; they made all the important decisions for the group themselves. They also wanted to continue working in this manner. An example of this was the statement by the new CEO of the group, who not only believed that one of the goals with the change project was to change the way the owners behaved, but also concluded that this change will never happen (see section 6.1 above). Despite this clear statement from the CEO, management's view of power was slightly different in the individual group companies. Decision routines at a company level varied, but were also part of the larger group's Quality Assurance system. These routines were quite different depending on the company, which reflected different customer demands. The companies that delivered good economic results had a high degree of freedom on whether or not to follow the routines in the QA system.

## ***7.2 – Management's view of power in the Forge***

In this section, management's method of using power and their ways of allowing collaboration with employees and unions in the Forge is analysed. This is important to answer the sub-question regarding to what degree does management allow for both unions and employees to participate in development work.

The owner bought the Forge in 1981 and was managing director until he started the group. One of the first things he did was to ask the employees to organise. They did, and the union got a seat at the board. A union leader said:

“The owner was always interested in the union and the union’s work. Today, the [new] managing director doesn’t care.”

The previous managing director (who was the owner) walked around the shop floor and talked to the employees. He knew all his employees by name. When walking around, the owner also made decisions. From an interview with an employee:

“When the owner walked around the Forge, an employee told the owner how he disliked working in the company and wished to resign. The owner responded: ‘Write your notice of resignation immediately. You are not allowed to work here any more.’ The employee had no choice than to leave.”

The current managing director doesn’t walk around the shop floor as his owner did.

One of the actions proposed by the employees in the Forge was that the managing director should meet with the employees at Friday Coffee on the shop floor. They pointed to the fact that there was too little collaboration between management and the employees. The employees might have complained, but as an employee stated, it was implicitly known that employees should not have too close a collaboration with management.

One manager stated that there was always some trouble happening in the Forge, and that employees always complained. A concrete complaint that was discussed at the dialogue conference and followed up in interviews was the routines used when buying new machines or replacing damaged tools. The employees said that even if the tools were damaged they were not allowed to buy new ones. According to the employees, management replied that as long as the employees did the job satisfactorily there was no need for new tools, and that it was up to the manager to decide when a tool was not good enough—not the employees. Then one day during the change project, new machines were bought without the employees knowing it.

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When the machines were installed, the employees complained that they had not been part in the purchasing process. It seems to me that the only person that was able to solve these problems was the owner of the Forge. A union leader said that they always had to negotiate with the owner in the past.

When the new anti-smoking act was to be implemented, there was a discussion in the Forge about whether the canteen should be divided in a smoking and a non-smoking part, or remain as a common area. When management and the employees didn't agree, the owner intervened and decided that there should be one non-smoking canteen for all. Whenever there was trouble in the Forge, it was always the owner that cleaned up the problem. Despite this fight between management and employees in the Forge, it was possible to implement change by allowing the employees to take part in the vocational training promotion project.

For years, the managing director had motivated employees to take the exam that qualified them to be skilled workers. He told the employees that both the company and the employees would profit by this. The company could compete for more contracts offshore, and the employees would get better pay if they passed the exam. No one volunteered to take the exam until the change project started, which included a focus area for vocational training. This time around, management and unions collaborated to promote vocational training. The project team contacted the local secondary school and made the necessary agreements on how to apply and what attachments to hand in as part of the application. In the Forge the union was responsible for encouraging the employees to apply while management handled the practical application details. This division of labour was agreed to by the union. The local union leader volunteered to be the first to apply. This time, six employees from the Forge decided to try. After the secondary school evaluated their theoretical skills,

one of them had to go to school for the theoretical part of the exam; the others received diploma that proved they already had the required skills. All six had to take the practical exam, and passed. By involving the union, the company achieved results that they had struggled to accomplish for years. The CEO concluded that the change project's results for vocational training were impressive.

My analysis starts with the fact that in the Forge, the employees had a member on the board. Despite this, the employees had little influence on the development of the Forge. This is in line with the findings from Emery and Thorsrud (1964): A union representative on the board alone won't ensure employee influence in the company. They later concluded that to be able to influence the company, employees had to have a direct role in planning and implementing work processes (Emery & Thorsrud, 1976; Thorsrud & Emery, 1970). To achieve influence the employees have to take part in the decision processes in the company; they have to participate directly (Pateman, 1970). To achieve broad participation, employees must also take part in the different parts of a company's decision process (Eikeland & Berg, 1997). The more processes the employees are part of, the broader participation occurs. Unlike at the group level where there was no union present, the Forge had a union and most of the employees were members. The union was established after a suggestion by the owner of the Forge, but the employees complained that there was still a gap between management and unions. When the owner was the managing director, he often visited the shop floor and discussed issues with his employees. In a region like this with small class gaps (Løseth, 2004), this was a natural way to behave for an owner and managing director. That means that it was expected that the owner was "one of the guys"; the employees trusted him because he was both local and genuinely interested in their



Reorganising the workplace: factors that affect implementation of broad participation work. This trust probably made it easier for the owner to make decisions by himself – decisions that utilised power over his employees.

When the owner left and a new managing director took over, this changed the dialogue between management and employees. From the new management's point of view the company was doing well, the employee's wages were good, then why should people complain? The managing director didn't perform management by walking around like the owner/managing director did when he was in charge some years ago. From management's point of view, the changes were small. The decision routines were unchanged by the new managing director, but his decisions were not accepted by the employees like the decisions the previous manager made. One of the reasons could be that the previous managing director still was the owner of the Forge, and therefore still had a role to play in its management and operations; he was the managing director's boss. Another reason could be that the new managing director didn't walk around the shop floor to discuss business with his employees. This change in behaviour from management unintentionally changed the power base in the Forge in that the employees lost their "direct line" to management; management now made decisions without informally discussing the issues with the employees in advance. A union leader expressed this thought by saying that conflicts that could have been solved informally often escalated until a formal meeting between management and union was required. At that stage, reasonable solutions were hard to find and permanent fighting between management and union was the result.

Lysgaard (1961) claims that in a company there exists a workers' collective system with a primary goal to protect the employees from management. According to Lysgaard, for this collective system to prosper, it is important that there is a distance between management and employees. Too close a collaboration between management

Reorganising the workplace: factors that affect implementation of broad participation and employees could result in a loss of power for the workers' collective system. Lysgaard also pointed to the fact that the workers' collective system was different than the union. Could there be a workers' collective system active in the Forge? One argument for this is that the long-time union leader was not re-elected after actively taking part in the change project. Another argument is that employees claimed that it was not wise for their colleagues to walk over to management too often, emphasising that there should be a distance between management and employees at the Forge.

My conclusion is that in the Forge, power was shared by employees in that they were part of the board. The important decisions in the group were not made by the board, but told to the managing director by the owners and then implemented. This led to a decision system without employee participation, and that gave mainly the owner, but also the managing director, power over the employees. Management preferred to make decisions themselves without employee participation, utilising power as potestas. In this company, management didn't invite the employees or the union to collaborate. In the past, the owner walked around the shop floor to informally discuss issues with employees. This is not the case today. The example regarding purchasing new tools and the manner in which management does not prioritise collaboration, shows that management didn't want to allow unions to take part in decision-making—preferring power as potestas. At the same time there was an active workers' collective system in the Forge that prevented a too close collaboration between management and the employees.

Overall, neither management nor the employees in the Forge wanted close collaboration with each other.

### **7.3 – Management’s view of power at the Laboratory**

This section analyses how the Laboratory’s management used power and allowed for collaboration with employees and unions. This is important to answer the sub-question of: To what degree does management allow both unions and employees to participate in development work?

The Laboratory was a new company, being founded in 2005. When the company went into financial trouble, the managing director encouraged all employees to participate to solve the company’s problems. After a broad discussion, management and employees concluded that everyone should contribute towards marketing activities. The discussions took part in a variation of a dialogue conference where all employees met. This meeting was arranged as a lunch to lunch conference at “Bestebakken”.

A Sofa was bought to follow up with the marketing activities, and all employees met at this Sofa once a week for a status meeting. The achieved results were seen as a success by both parts, and it was decided by management to include employees in other areas of the decision structure in the company. A next step was to involve the employees in planning activities, and at the end of the change project all employees met at the Sofa at 9:00 every morning to plan the day’s work. In an interview with the managing director and the union leader late in the change project, the managing director was asked if the marketing activities had continued. She said that:

“Yes, we have been to two exhibitions, and everyone knows that we exist, but we have not signed any new big contracts. The marketing activities continue, and we achieved a lot in 2008. The meetings at the Sofa continue.”

When she was asked if the marketing activities are still performed by all employees, she answered that:

“Marketing is difficult, but we achieved good results of our goal-oriented marketing efforts.”

She further said that:

“Yes, we ourselves understood the benefits from formalising the nine o’clock coffee break. The chairman of the board is good at following up with us. The work with our prioritised issues continues.”

Based on this data, management’s allowance of the employees to take part in development work is analysed.

The Laboratory faced a problem with their earnings. In this situation, the managing director decided to discuss this situation with the employees. She asked for their advice and they agreed that all employees should take part in marketing activities. The goal was to get more customers and thereby increase company earnings. By asking the employees to participate, the managing director gave the employees new opportunities. By inviting the employees to contribute, the managing director utilised her creative power. Using Spinoza’s (2000 [1677]) definition, she utilised power as “potentia”. This manner of acting was in line with Follett’s (1995 [1925]) claim that management can’t delegate power to their employees, but can give employees power to act on their own.

The result of involving employees in marketing was good, and they were later given more responsibility—or more power—by being involved in the Laboratory’s daily planning activities. By stating that formalising the nine o’clock meeting was a success, and by emphasising that management and employees still worked with

Reorganising the workplace: factors that affect implementation of broad participation prioritised activities, she also indicated that the nine o'clock meetings will continue with still more issues to discuss in the future. A possible interpretation of the success of the Sofa is that by creating this meeting place, management and employees in a way created an needed arena for dialogue. This arena is rather different from the arena the Forge's owner created when he walked around the shop floor, but the result—a direct dialogue between the managing director and his/her employees—is very much the same. Both are arenas that mirror the small class gaps in the region.

The conclusion is that the Laboratory's management provided an opportunity for employees to take part in development work and decision-making, and the employees accepted this invitation. The Sofa was purchased, and the dialogues started. Gradually, more discussions and decisions were made in collaboration between management and union. What started as a joint marketing effort between management and employees developed into a joint effort to plan the daily work tasks. Management has now expanded employee participation to Laboratory administration.

In contrast to the Forge, management at the Laboratory preferred power as potentia, and the results indicate broad participation.

#### ***7.4 – Summary of findings on management's view of power***

In the Forge, management preferred power as potestas, and the result of the analysis indicates no broad participation. At the Laboratory, management preferred power as potentia, and the result of the analysis indicate broad participation by employees.

## **Chapter 8 – The union’s view of participating in development work**

The theoretical model states that the union’s choice of boxing or dancing is brought to the collaboration arenas, and will influence the resulting collaboration efforts on these arenas. There will always be some boxing and some dancing between management and unions, so the unions have to choose between fight or peaceful collaboration in different situations. The sub-question to answer is: To what degree does the union choose to accept management’s invitation to take part in peaceful collaborative work?

In this chapter, the unions’ choice of boxing or dancing in the actual change project is analysed in an attempt to answer this sub-question. The analysis is performed both at the group level and within two group companies, the Forge and the Laboratory.

### ***8.1 – Union participation in the group***

To what degree did the union support employee participation by choosing to dance with management when accepting an invitation to collaborate?

The group was organised functionally with two people who owned 18 formally independent companies. The unions were not present in the decision structure of the group at the change project’s start, and there was no arena for collaboration between managers and unions at a group level. If the group had been organised as a holding company consisting of a number of subsidiary companies (“konsern”), the unions could demand such representation; they have these rights by Norwegian law. The group’s structure was similar to the structure obtained when of a big company is split

Reorganising the workplace: factors that affect implementation of broad participation in many smaller companies and then sold to new owners. As a result of such a splitting, the union is split as well, and this leads to less influence by the union.

On the dialogue between the group management and the employees in the group the CEO said:

”The owners have less influence on how each company is managed than before. The system has been so huge that it is difficult [for them] to follow up with all details. Despite this, there is a very short distance between the owners and the employees in the companies. This has been the case the whole time.”

While there was no union present at the group level, there is a close dialogue between the owners and all their employees. The group was developed without little formal administration. The organisational routines chapter presented the fact that the owners created a number of professional groups where experts in the companies met to discuss matters of common interest. However, the owners never created a similar meeting space for union leaders in the specific companies.

As part of the change project, an alliance of unions was established 15<sup>th</sup> April 2005, with statutes declaring that this alliance would be based on collaboration between union leaders in the individual companies. One of the goals was to collaborate on matters of common interest across the different unions’ boards.

A prioritised area was to support collaborative enterprise development projects and be positive toward invitations from management on participative development in the larger group. The CEO said that this union alliance was promising for future dialogues between managers and unions:

“To strengthen the collaboration with the employees is important, especially if a recession occurs in the near future. A good collaboration with the employees

is important for their realisation of demanding rationalisation, marketing, and re-organisations. An important matter for me is what will happen with the alliance of unions in the future. Maybe they could contribute to a group thinking in our system of agreements. Today the companies have different agreements and that leads to difficulties from time to time, especially when employees from different companies in the group work side-by-side at the same job. The alliance of unions is created as part of this change project. My opinion is that we should consider keeping the alliance of unions, but with a clearer mandate. The group is not a company, but many companies each with its own conductor. The conductor can't give instructions to other companies in the group.”

Another prioritised area was union representation on both the Technical Advisory Board and the Group Board, thereby becoming part of the group's decision structure. The first step that the alliance of unions started to work with was to be represented in the Technical Advisory Board, which they achieved. The chairman of this board was asked of his experience so far of having board members from the alliance of unions, and how he looked at this in the future. He answered:

“Yes, the experience with this [having board members from the unions] is good. In the future the unions could possibly be involved in other arenas. We have a lot of unutilised competence in the group.”

The union leader in the Laboratory said that “to meet other [union leaders] in the group is important”.

The change project had a board where managers and union leaders from different companies throughout the group participated. During the pre-project, one



Reorganising the workplace: factors that affect implementation of broad participation union leader and one manager from each of the four test companies were represented on the board. When the main project started, the composition of the board changed. Four representatives from management were elected by management, and four union leaders were elected among the union leaders. All the board members signed the quarterly status reports to HF. The CEO of the group was chairman of the change project's board.

As discussed in the previous chapter, one of the prioritised areas for the change project was to make a joint effort between management and unions to promote vocational training in the group. The two groups started by collaborating on a vocational training project, and the results were seen favourably from management and unions. Before this collaboration started, management tried to motivate employees to pass the skilled worker exam, but no one tried. As a result of the collaboration more than 20 employees volunteered to take the exam, with seven of the employees coming from the Forge.

Based on this data, I analyse the union's choice to collaborate at a group level. Unions are made to protect their members' interests against management and the owner. The fact that unions are now invited to peaceful collaboration with management demands that unions change their mindset. Huzzard (2004) uses the boxing metaphor with management to describe the fighting part, and dancing when describing peaceful collaborations. He further states that the union that faces an invitation by management to collaborate must choose either to box or to dance.

At the group level, management had organised professional groups and boards to take care of managements' need to collaborate across the different company borders. Different unions in the individual companies had not organised a corresponding group for the union leaders, which made it difficult to collaborate

Reorganising the workplace: factors that affect implementation of broad participation across company borders. This gave an imbalance between management and unions at the group level, as there was no group of unions to serve as the counterpart to management in any peaceful group-level collaboration. To once more use Huzzard's (2004) metaphor, dancing without a dancing partner is impossible. Therefore, one of the first actions taken in the change project was to establish this alliance of unions.

Creating a union alliance was one of the proposed actions that resulted from the 2004 collaboration conference in the group (see section 2.5.4 above). The alliance of unions gave the union leaders in the different companies a place to discuss across company and union borders. By establishing this alliance, union leaders could meet and raise common challenges to management at the group level. This alliance became a counterpart to the group's management board—a counterpart could become either a dancing or fighting partner with management in the long term (Huzzard, 2004). The statutes of the alliance stated that participating in collaboration processes was one of the main goals, and included a primary interest to develop broad participation throughout the group. The alliance of unions wanted influence in the decision processes, both through direct participation at the workplace (Emery & Thorsrud, 1976; Gustavsen, 1992), and through representation both at the group's board and within the different companies. The alliance demanded union representatives in the Technical Advisory Board, and got that without fighting. They discussed if they should fight for membership in the Group Board, but didn't demand this. As discussed previously neither the Technical Advisory Board nor the Group Board were formally a part of the decision structure in the group.

When the change project started, a project board was established. This board included union members. Through the work in the board, unions and management collaborated at a group level. They followed up with findings from the conferences

Reorganising the workplace: factors that affect implementation of broad participation and discussed the results achieved from the different actions performed. The board prioritised the actions to be taken, and the use of resources in the change project, one of which included the vocational training project.

Three of the five arms of the starfish that illustrates the group's business areas represent technical companies. These technical companies are dependent on skilled workers like welders, pipers, and electricians. Many of the workers were not formally qualified as skilled workers even though they had worked in the companies for years performing skilled worker operations. This lack of formally qualified skilled workers was a problem for the companies, because customers required skilled workers for offshore contracts. For years, management in the affected companies tried to motivate their workers to take the skilled worker exam. No one volunteered.

During the change project, management and unions collaborated to promote vocational training. New routines on how to apply were developed by management and unions together, and in these new routines management and unions shared the responsibility. The union leaders participated directly by being responsible for motivation of the workers. This was one example where the change project succeeded in implementing broad participation (Eikeland & Berg, 1997) at the group level. The collaboration between management and union leaders was a success, and workers queued to volunteer for the exam. When invited to take part in vocational training, the unions' choice were to accept. But, also in the past employees did participate in dialogue at group level.

As discussed in the organisational routines chapter, the owners previously walked around the shop floor and talked with their employees. While the owners make decisions on their own, it appears that the employees were at least informally involved in the process. The employees indicated that they missed this dialogue. A

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union leader said that many issues could be solved by informal dialogue with management, but instead an issue and the subsequent frustration among workers grew until a formal meeting was required—which usually resulted in a fight between management and staff. My interpretation is that the traditional way to collaborate in the group was through a direct dialogue between management, represented by the owners, and their employees. This was a type of informal direct democracy (Mansbridge, 1983) at the workplace, as opposed to a formal representative democracy where unions discuss matters with management on behalf of their members. This close collaboration between owners and employees at the workplace was common in this region in the past (Løseth, 2004).

This region was industrialised in the French tradition (Wicken, 1997). The industry was based on skilled workers in close collaboration with an owner. Often the owner worked among his/her employees on the shop floor. There were small class gaps, and usually both the owner and the employees voted for the Liberal Party, where in other regions in Norway the owners voted for the Conservative Party and the employees voted for the Labour Party (Løseth, 2004). That could also be an explanation for why there were regional differences in the strength of the trade unions (Gulowsen, 1987).

In the past, the employees had a direct dialogue with the owners of the group. The number of companies and the number of employees in the group have grown. Although the owners have resisted building a huge bureaucracy in the group, the group has grown so large that the owners can't walk around the shop floor having discussions with their employees anymore. Because of that, the direct dialogue between the owners and the employees has vanished, and along with that, the direct participation of employees in managing the group. The change project's goal was to

Reorganising the workplace: factors that affect implementation of broad participation introduce broad participation by employees and unions in development work. The change project, to some degree, tried to substitute for the direct dialogue that worked in the past. This attempted to replace a direct dialogue between the owners and all employees with one between management and the unions.

My conclusion is that, although there still is a long way to go, the unions have started positioning themselves as a future partner in developing group collaboration practises. Unions have organised across company boundaries and could now be invited to take part in the informal collaboration arenas in the group. Bearing in mind that the unions would have this type of position by Norwegian law if the group were organised differently, the conditions to utilise collaboration by management is now in place. The alliance of unions stated in their statutes that they will look positively at collaboration initiatives from management. They have also shown the ability to ask for such collaboration without an invitation, as was the case when requesting representation in the Technical Advisory Board.

While unions are open to collaborating with management at a group level, there remains a lack of collaboration arenas. Historically, the unions in the different companies didn't collaborate. As a result of the change project, this collaboration is firmly in place. The unions are prepared to accept management invitations, but until now these invitations have not come "from the top".

## ***8.2 – Union participation in the Forge***

To what degree did the Forge's union support employee participation by preferring to dance with management by accepting an invitation to collaborate?

The Forge was established by one of the owners of the group prior to his collaboration with the other owner. Participation between managers and employees in

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the companies was framed by the participation at the group level, but there were local differences in the individual companies. The employees in this particular company have a seat in the board although it is not required by law. A Forge employee said that while employees do have a board member, he had not witnessed the election of that member.

At the dialogue conference, participation between managers and employees was discussed. The participants agreed that there was a distance between management and the employees. Two actions were proposed to deal with the distance between management and employees—both employee-initiated. The first was to have coffee with the managing director in the Forge every Friday; the second was to move the benches outside the Forge and the management building together to encourage management and employees to eat lunch together. The employees have seen no managing director at the Friday coffee and the benches outside the buildings are still separate. From the union's point of view, this was seen as management's fault and showed a lack of care about the employees. Employees also told of the way management handled damaged tools—a way that, according to them, again showed that management didn't care about, nor value, their opinions. When employees complained about damaged tools, management responded that as long as the employees could do their jobs, the tools were not damaged enough to matter. Nothing happened and the employees had to continue using a damaged tool, until suddenly a new tool was purchased without any employee knowing in advance.

On the other hand, an employee told that in the Forge the employees should not walk too often between the management building and the shop floor, because of the fear of collaborating too closely with management. The employees wanted to see

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the managing director, but they didn't want too close a collaboration. An employee said:

“I walk between the two buildings when it suits me. There is a distance between employees and management. If you walk between the two houses too often the employees dislike you. I don't walk into the other building to be social. It should be easier to walk in between.”

At the beginning of the change project, the union leader at the Forge was one of the enthusiasts promoting broad participation in the group. He was member of the change project's board and a driving force in the project from the unions' side. He had been an elected union leader for years, but at the local union's first annual meeting after the beginning of the change project he was not re-elected. The members said that this was because they were unsatisfied with the local wage negotiations and they blamed the union leader for this. According to a union leader:

“Generally, in the Forge it is difficult to engage [all of] the union members. Rather few of the members participate in the union's meeting, and few members voted on the result from the local wage negotiations.”

Vocational training was one of the prioritised actions in the change project. The Forge was one of the companies that had a lot of employees who did not have a skilled worker qualification. The managing director had tried to motivate the employees to take the exam, but no one did. In the change project, the first employee that volunteered to take the exam was the union leader in the Forge. The union motivated the employees to take the exam, and many did. To let the union participate in the work on vocational training became a success; where management couldn't get

Reorganising the workplace: factors that affect implementation of broad participation employees motivated, unions and management in collaboration could. From the final report from the change project:

“The project has contributed to a better understanding among the employees of the importance of vocational training. The need for collaboration between management and unions to motivate employees for vocational training is made visible by the project. All levels in the companies have come to an understanding that vocational training is important both for each employee, and to develop the companies in the long term in a tough market.”

Based on this data my interpretation is that there was a distance between management and employees in the Forge. There was a fear by employees to collaborate too closely with management, and this fear materialised in an internal (but unwritten) rule that employees weren't allowed to walk to the management building too often. This is in line with Lysgaard's (1961) findings of what he called the workers' collective system. This collective system protects the workers from management, and too close collaboration with management could be seen as wrong according to the rules in the collective system—internal rules that the employees must follow to protect their fellow workers from management. Another indication that there possibly was a workers' collective system in the Forge was what happened with the union leader that was not re-elected. The union member said that he was not re-elected because they were not satisfied with the results of the local wage negotiations. This could be the case, but usually the union members hardly voted on the results from the negotiations, so why should people suddenly care this time? The union members voted not to re-elect the union leader, but none of the members were interested in running for a leadership position in the union. Another explanation is that



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the union leader was not re-elected because he wanted collaboration, not fight, with management; he wanted to dance with management (Huzzard, 2004). He was an active participant in the change project, and promoted a closer collaboration between management and employees in the group. Perhaps the employees disliked this strategy; maybe this collaboration was against the rules of the workers' collective system as the Forge? The rules that governed the workers' collective system in the Forge were the rules that guided the union members in the Forge: unions preferred boxing, not dancing (Huzzard, 2004). But, the employees didn't refuse all collaboration.

When it were profitable for their members, then collaboration was good; the actions taken to promote vocational training were strongly supported by the union. The Forge was the company that had most employees qualifying for skills improvement during the change project. The union did actively participate motivating their members to qualify for the exam to be qualified as skilled workers.

The conclusion is that in the Forge there was a minor shift in the collaboration between management and unions during the change project. The union claimed that they supported broad participation and that they were angry because two attempts to invite management, the bench and the Friday coffee, failed because management didn't follow up with these agreements. On the other hand, the employees didn't want too close a collaboration with management and they didn't re-elect a long-time union leader who was actively taking part in the change project where he promoted closer collaboration between managers and employees in the group. Could it be that the union in the Forge prioritised boxing rather than dancing with management?

The conclusion is that in the Forge the employees and the union said that they were prepared for broader collaboration with management, but the analysis shows that

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this was not the case with the exception of vocational training. Probably this is because of a strong workers' collective system in the Forge, and that too close of a collaboration with management breaks with this collective's internal rules.

### **8.3 – Union participation at the Laboratory**

To what degree did the Laboratory's union support employee participation by preferring to dance with management by accepting an invitation to collaborate?

The Laboratory's situation was different than the Forge. This was a new company that fell into economic difficulties. When this happened, the managing director invited the employees to discuss possible actions to cope with the challenge. The employees accepted the invitation, and after a dialogue conference where management and all employees met, it was agreed that all employees should take part in marketing activities. Status meetings were held regularly to discuss and reflect on the achieved results, and the Sofa was bought.

Gradually the agenda of the meetings changed and other issues than marketing was discussed in the Sofa. The nine o'clock meetings on the Sofa changed gradually and after a while management invited employees to take part in daily work planning. The employees accepted this invitation, and as a result new collaborative methods were implemented at the Sofa, and broad participation was realised. From the final report from the change project:

“The experience from the Laboratory shows that when the company needs a larger market to get more customers, involving all the employees and distributing the responsibility for marketing give good results.”

This also corresponds with my research note on participation in the Laboratory:

“They have succeeded involving unions in development work. They now have a meeting between managers and employees every day at nine where they

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discuss the day's tasks and what to do to get more customers. They have also had a successful dialogue conference at 'Bestebakken'."

When interviewed at the end of the change project, the union leader in the Laboratory said that:

"The most important results achieved in the project were the dialogue conference at 'Bestebakken' and the alliance of unions. To meet other [union leaders] in the group is important."

Based on this data, the analysis of the participation in the Laboratory is performed.

In the Laboratory, management and unions decided to collaborate to solve an urgent matter on how to increase the company's earnings. The managing director chose to invite the employees to take part in solving the challenge, and the employees accepted the invitation; union's choice was dancing, not boxing, with management (Huzzard, 2004). Both management and employees were proud of their Sofa, their collaboration arena. They started to collaborate on marketing and this turned out to be a success. Gradually the collaboration was extended to other fields, like planning daily work tasks. The employees started to participate with management on one issue, and gradually extended, or broadened, participation to cover other areas in the company. They implemented broad participation gradually, starting with a concrete task that proved successful. When the managing director invited employees to take part in solving a company-wide problem, she utilised power as "potentia" (Spinoza, 2000 [1677]).

In the interview, both the managing director and the union leader said that the collaboration would be further extended in the near future.

The conclusion is that in this company, the union chose to dance with management, and management chose to allow participation by the union in development work and decision-making. The Laboratory employees chose to participate in decision-making, which showed by their involvement both in marketing and planning activities when invited by management.

#### ***8.4 – Summary of findings on union participation***

In the Forge the employees and the union said that they were prepared for broader collaboration with management, but the analysis shows that this was not the case with the exception of vocational training. At the Laboratory employees chose to participate in decision-making, which showed by their involvement both in marketing and planning activities when invited by management.



## **Chapter 9 – Collaboration arenas**

The theoretical model states that collaboration arenas are where management and unions/employees meet face-to-face, bringing along their choice of peaceful collaboration (potentia and dancing) or fight (potestas and boxing). Organisational history also plays a role. Further, the model states that activities in the arenas produce collective experiences that might lead to broad participation.

There are many different arenas in a company—some will contain peaceful activities, while others are based on fighting. These activities translate into different dialogues between management and unions. The research question to answer is: How do the dialogues between management and unions operate at the arenas for peaceful collaboration?

In this chapter, the arenas for collaboration and the dialogue at these arenas in the actual change project are analysed. As in prior chapters, the analysis is performed at both the group level and with two of the companies, the Forge and the Laboratory.

### **9.1 – Arenas in the group**

The group of companies was created when two local entrepreneurs joined forces in 1985. Creativity and entrepreneurship were two characteristics used to describe the owners and their group of companies. The owners were heavily involved in the day-to-day operations of their companies and made decisions for the group. The owners were powerful, utilising both power as potestas and potentia (Spinoza, 2000 [1677]).

The group of companies had grown and this was a challenge for the selected organisational structure with functional companies consisting of small administrative staff and decisions still being made by the two owners. One of the two owners was a

Reorganising the workplace: factors that affect implementation of broad participation member of all the company boards. As the number of companies increased, this decision structure was demanding. As cited in the previous chapter, a manager said that the owners have less impact on the management of the companies now than before, but that there still was a short distance between the owners and the employees in the different companies.

From my autumn 2008 research memo:

“There are rumours in the group that key employees have changed employer within the group. In general, employees cannot start working for another of the group's companies. The rumour is that the owners strongly disagree to this and that there is anger in the ‘glass box’. My thoughts: This is what happens when you have to participate in more than 20 boards. From time to time you will miss a meeting and this could be the result. What do the owners do now?”

A manager said:

“I think the owners want collaboration between the companies in the group, but they don't see that the selected organisational model makes this difficult to achieve. The history shows that the employees haven't participated at the meetings where strategies are discussed in the companies. The only exception is in one company where employees who are members of the company's board have participated in these discussions. But they participated as members of the board, not as employees. Now, an arena has been created [the alliance of unions] for discussions between management and unions, but there are few other arenas to grow this collaboration in the group.”

Another manager had a different opinion:

“The will [by the owners] to change the way the group is organised is small.”

The group of companies was located in an area where there traditionally have been small class gaps. This was also the situation in these companies. An employee pointed to this fact when he said that:

“The two owners have met the employees in many different situations on equal terms. They have met collecting their children in kindergarten, they mix with the employees daily in the staff restaurant, and they meet in the forest during hunting season.”

Arenas in the overall group were the Group Board, the Technical Advisory Board, the Group’s Working Environment Committee, and some professional groups.

As defined in section 2.3.3, the Group Board was an arena where the owners and their closest colleagues met. The members of the board discussed matters of common interest for managing the group and the companies in the group. The board made no formal decisions, but as a manager said: “everyone knows that the two that are making the final decisions are part of the board”. This board was not part of the formal QA system in the group. There were no union representatives at the board, and membership varied from meeting to meeting.

The Technical Advisory Board, defined in section 2.3.3<sub>2</sub>, was an arena where the realisation of cross-disciplinary projects across the companies in the group was discussed. The Technical Advisory Board was not part of the formal decision structure in the group; not part of the formal QA system in the group. Managers from the technical companies and the marketing staff met at this arena to discuss matters of common interest. As a result of the change project, two representatives from the unions were accepted as members of the Technical Advisory Board. The initiative



Reorganising the workplace: factors that affect implementation of broad participation came from the alliance of unions, and the chair of Technical Advisory Board had no obligation to accept the invitation—but he did.

The Group Board and the Technical Advisory Board turned out not to be formal decision-making arenas, as a manager told us later:

“There are no written rules of how decisions should be made at the group level. As a consequence neither the Group Board nor the Technical Advisory Board is part of the formal decision system in the group. In the choice between a dynamic organisation where the owners can make the decision themselves, and a formal procedure that defines how decisions are made, the owners have chosen the first solution.”

The owners organised professional groups across the different companies to handle issues of common interest for management. The group has no central administration. The organising of the group in separate companies could lead to bureaucracy, but this was prevented in the professional groups where the key managers were given responsibility for their specific fields.

Historically, these three arenas were not collaboration-based because the purpose was to serve management and the owners. The one arena where management and unions met was at the Group’s Working Environment Committee (“Felles AMU”). According to Norwegian Law, the “Working Environment Act” (Directorate of Labour Inspection, 2007), it was mandatory to establish a working environment committee if a company had more than 50 employees. The committee should have 50% of its members from the employees and 50% from management. Members of the top management—in this case, the owners—should always be on the committee. Each

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company had two representatives, one union leader and one manager, on this committee.

The change project was conducted jointly between the individual companies in the group. Managing directors and union leaders from different companies were members of the change project's board. This manner of running a project was new to the group. At the collaboration conference, the "Svanøy meeting", management and unions in four of the companies met for the first time to discuss joint challenges. After this meeting, an application for funding the change project was sent to HF. According to the application, broader participation and new collaboration arenas were planned in the group:

"In this early phase we talked about a quality management network, a network between union leaders, a marketing network, and a process organisation network. ... To start the collaboration, the project wants to create a network between the union leaders and management to strengthen the dialogue, exchange of information, and collaboration between union leaders and management. By establishing this network, the goal is to create a permanent collaboration between management and union leaders to develop the companies [in the group]."

Further, the group pointed to the fact that because the different companies in the group knew of each other and had a joint philosophy, it would be easier to implement broad participation—as some of the processes could be followed up on and coordinated at the group management level.

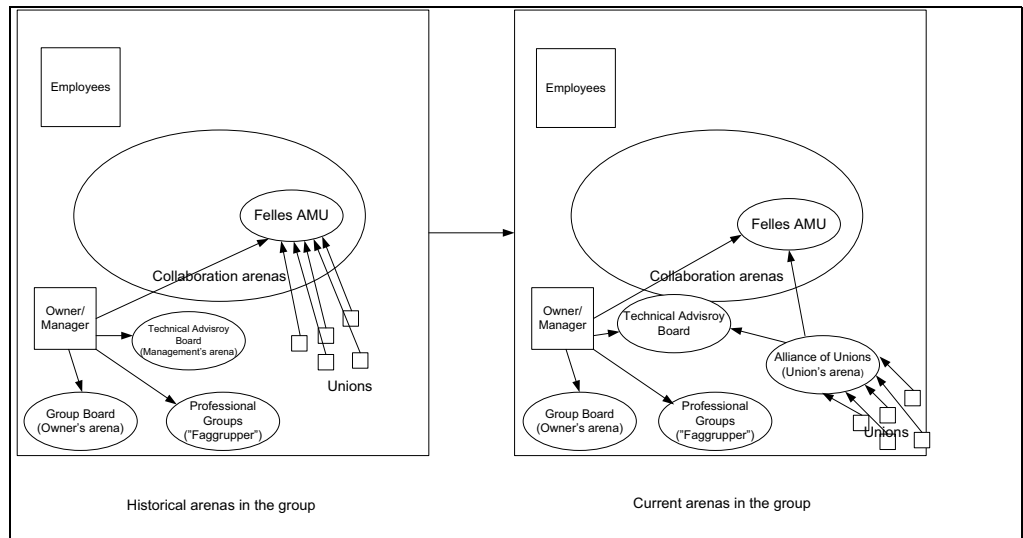
One of the actions in the change project was the creation of the alliance of unions. This alliance was considered important both from unions and management.

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These groups stressed different aspects of the alliance: Management said the most important outcome was that they now could address the company challenges to the alliance of unions, subsequently creating a better understanding of the necessity for organisational change. The union leaders saw the discussion with other union leaders in other companies in the group as a start in to obtain more overall influence in the group. The unions wanted their voices to be heard by management, and looked at the alliance of unions as a first step to become part of the group's decision structure.

The analysis starts by an important reminder. Greenwood and Levin (2007) claim that arenas for collaboration are important to ensure mutual learning and knowledge creation. Based on the presented data, my interpretation is that there was no collaboration arena between management and unions in the group, except for the Group's Working Environment Committee. The owner had their arena, the Group Board. Management had different arenas, the Technical Advisory Board and the Professional Groups. However, the unions had no arena. Arenas for dialogue and development (Gustavsen, 1992) at a broad level were missing.

My interpretations of the different historical arenas are shown in the left part of figure 9 below.



**Figure 9: Arenas at the group level**

The left part of the figure shows the historical arenas in the group. The different actors are shown as boxes named owner/manager, employees, and unions. The arenas Group Board, Technical Advisory Board, Professional Groups, and Group’s Working Environment Committee (“Felles AMU”) are drawn as ellipses. The collaboration arenas where management, employees, and unions met are indicated by an ellipse around the grouped arenas. The arrows on the figure show which actors met at which arena. The right part of the figure shows the arenas at group level after the changes performed during the change project. The changes are described and discussed on the following pages, but the main change was that an alliance of unions was created, and that this alliance was represented at the Technical Advisory Board. These changes were results from actions taken in the change project.

The change project was initiated and run with some agreement by the owners. However, when the CEO who started the project left, it turned out that this acceptance from the owners was not very deep. This illustrates some of the challenges with a

Reorganising the workplace: factors that affect implementation of broad participation decision system where centralised decisions are made by two owners (see also chapters 7 and 8).

The group management level, mentioned in the application for funding the change project, turned out to be difficult to include because it was the owners alone who constituted the group management with an inner circle of trusted colleagues. Neither the Group Board nor the Technical Advisory Board was part of the formal decision system in the group as stated in the group's QA system.

As part of the change project an alliance of unions was created, and the union leaders in the different companies then had a collaboration arena. The union leaders saw this arena as a start in gaining more influence in the group. Overall, they looked at this union alliance as a first step to become more involved in the group's decision structure. This is a valid argument both according to the industrial democratic school of participation and the participatory left (Greenberg, 1975). A first action was to claim representation in the Technical Advisory Board. Management, on the other side, stressed that the alliance would make it easier to develop employee understanding of change. This was as expected according to the management school of participation (Greenberg, 1975). Management wanted a closer dialogue with employees to ensure that employees understood and supported management's decisions.

The network between management and unions suggested in the application for funding was not created, but there was more collaboration between managers and unions by the end of the change project. At the project's start, there was no alliance of unions present in the group; there was no organisation that could represent the employees at a group level. As a result of the change project, the unions got a place to meet and discuss joint challenges. The focus for the union was both to strengthen the representation in the different boards in the group, and to motivate employees to take

Reorganising the workplace: factors that affect implementation of broad participation part in enterprise development. Union representation on the Technical Advisory Board was agreed with management without any resistance. A possible next step is to try to gain representation on the Group Board, but this was not yet on the alliance's agenda.

My conclusion is that at the change project's conclusion, there was no collaboration arena between managers and unions at the group level. As the alliance of unions was established, it is a possibility that unions could be part of the Group Board in some remote future. The Technical Advisory Board was expanded to include two elected members from the alliance of unions. In the near future this could be developed into a collaboration arena. The owners are not part of this arena, and these arenas are not part of the group's formal decision structure.

At the end of the change process, management and union leaders agreed that: "Through these discussions the partners have experienced that such processes take time, but we want to continue to walk the collaboration line". My interpretation of the situation is more pessimistic. The original collaboration structure in the group was based on direct dialogue between employees and owners. This dialogue will probably not take place in the future as it did in the past given the group's growth.

The situation varies at the individual company level. As expected, some of the companies had arenas for collaboration between management and unions while others did not. The following sections analyse the arenas at the Forge and Laboratory.

## **9.2 – Arenas in the Forge**

How do the dialogues between management and unions operate at the arenas for peaceful collaboration in the Forge?

The owner took over the Forge in 1981. One of his first actions was to invite the union to elect a representative to the company's board. A union representative has

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been member of the board ever since, the same person has been on the board since 1981. The managing director said: “As long as no one demands an election we carry on as before.”

As mentioned before, the owner previously was often seen at the shop floor where he talked with his employees. On one occasion he fired an employee that disliked working in the Forge based on a shop-floor conversation. The owner consciously chose this style of employee interaction as part of his management job.

Long-time employees and managers all mentioned that they missed this direct dialogue with the owners. One of the employees said that previously all employees knew the owner and that the owner often visited them on the shop floor. In those days, management cared about the workers and their well-being.

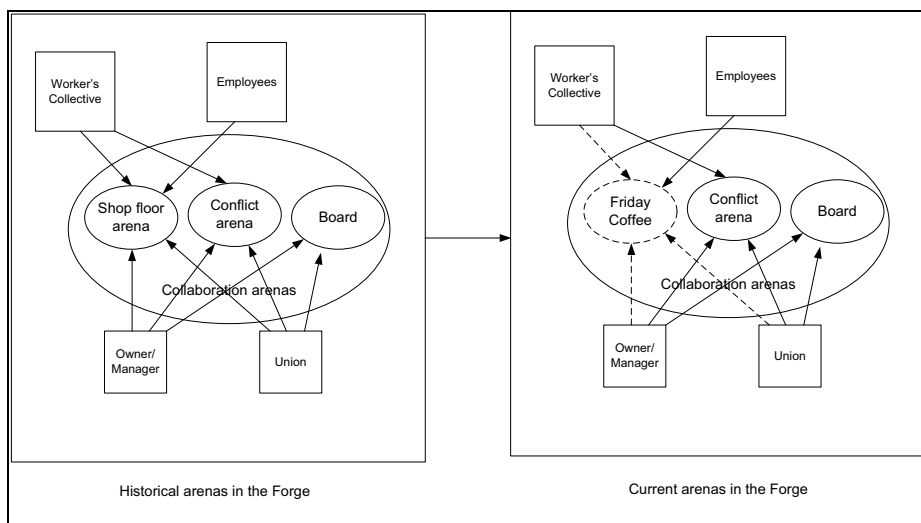
The new managing director didn't manage by walking around the shop floor. Management had always worked in one building, and the employees in another. While there was a short physical distance between the buildings, the conversational distance between managers and unions was not, and could be improved. During the change project the employees suggested the creation of two small, informal arenas in the company. The first was to meet and drink Friday coffee with the managing director at the shop floor once a week. This was agreed upon by management, but never followed-up by action. The next suggested arena was to move the benches where management sat down during lunch breaks near to the benches where the employees sat. This was also agreed upon by management, but never carried out. Management said this was because they had too much to do, employees said this was because management didn't care—but when interviewed, employees said that they should not walk too often between the buildings.

Another issue that came up during the dialogue conference in the Forge was that the employees wanted more information on what happened in the company. They didn't like to read news about changes to their own company in the town's newspaper without being informed by management in advance. Management agreed to that, and an informational meeting for all employees was then arranged once a month. These meetings have continued after the end of the change project.

The analysis starts by the fact that in the past the owner walked around at shop floor in the Forge discussing with his employees. By doing this he created a collaboration arena in the company. I define this as the shop floor arena. The actors that met at this arena were the owner and the employees. Historically this was an important collaboration arena in the Forge where the owner and the employees practised a kind of direct participation. At this shop floor arena, trust was built between the owner and his employees. By discussing matters with the employee and listening to their opinion, the owner practised power as potentia (Spinoza, 2000 [1677]), and the employees took part in a type of direct participation in the company's decision-making process. That didn't mean that the dialogue always was friendly: the example of the employee that was fired as a result of complaining shows that the owner also practises power as potestas (Spinoza, 2000 [1677]). Nevertheless, the employees remember the days when they often met the owner as the glory days. My interpretation is that what they missed was a shop floor arena. In the past, the employees had a kind of broad participation in that they directly, on a personal basis, discussed with the owner and thereby participated in decision-making.

In addition to the board and the shop floor arena, management and unions met for yearly wage negotiations. These negotiations represented a conflict arena in the Forge. These arenas are shown on the left hand side in the figure 10 below.





**Figure 10: Arenas in the Forge**

The left part of the figure shows the historical arenas in the Forge. The different actors are shown as boxes named Owner/Manager, Employees, Workers' Collective System, and Unions. The arenas Shop Floor Arena, Conflict Arena, and Board are drawn as ellipses. The collaboration arenas where management, employees and unions met are indicated by grouping these together with an ellipse. Arrows on the figure show which actors met at which arena. The right part of the figure shows the arenas at a group level after the changes performed during the change project. The Shop Floor Arena is now closed. The attempt to create an arena by inviting the managing director to Friday Coffee at shop floor is indicated by dotted lines. As claimed in the previous participation chapter, there is also an active workers' collective system (Lysgaard, 1961) in the Forge that limits the collaboration between employees and management.

When the company started, the owner included the shop floor arena as part of his management style. It seems that the employees wanted a new arena to compensate for the closing of this shop floor arena.

The change project made two attempts to create arenas for peaceful collaboration between management and unions in the Forge: Implementing Friday Coffee and moving the benches. None of these actions were successful, and the result was that at the change project's end there was no collaboration arena in the Forge. The employees and managers had lost the shop floor arena. There is no evidence that employee representation at the Forge's board was sufficient to influence the collaboration between managers and unions at the shop floor.

The owners are clever and trusted by their employees. Historically, the two owners met the employees at shop floor. They talked to their employees, and matters of common interest were discussed. In those days, the shop floor functioned as an arena for collaboration. While the owner made decisions himself, he probably took these shop-floor dialogues into account. The owner then started the larger group and moved his office to the oil supply base. While he still visited the Forge often, a new managing director was appointed to take care of the daily management. As the number of employees and companies in the group grew, it was no longer possible for the owner to walk around just the Forge's shop floor on a regular basis. The new managers didn't fancy walking around, and alternative collaborative arenas were not built in the company. The close relationship between employees and the owner then disintegrated, and the shop-floor arena closed. This arena was missed by the employees.

When trying to introduce broad participation in the Forge based on the Basic Agreement between the actors in the Industrial Relations System (Dunlop, 1993), LO

Reorganising the workplace: factors that affect implementation of broad participation and NHO, my interpretation is that the local actors wanted to revitalise the shop floor arena; an arena that was different than the arenas proposed by HF and the change project. This causes trouble. Even though the goal with implementing broad participation was that employees should directly influence their own workplace, this was done by agreements between the management and union systems. The union, as an employee representative, took care of the collaboration. In the past the employees and managers in the Forge ensured this influence by direct personal dialogue with the owners without assistance from systems of any kind. Attempting to replace direct dialogue with indirect didn't turn out well.

My conclusion is that the employees were more satisfied with the old direct participation method and wanted the shop floor arena to continue, but because of the growth of the number of employees and companies in the group this seemed impossible. This dialogue was performed on the shop floor arena, an arena that is now closed. For a new collaboration arena to be useful, the owner must take part as he did before. This will probably not happen, because the group has grown too big.

### **9.3 – Arenas at the Laboratory**

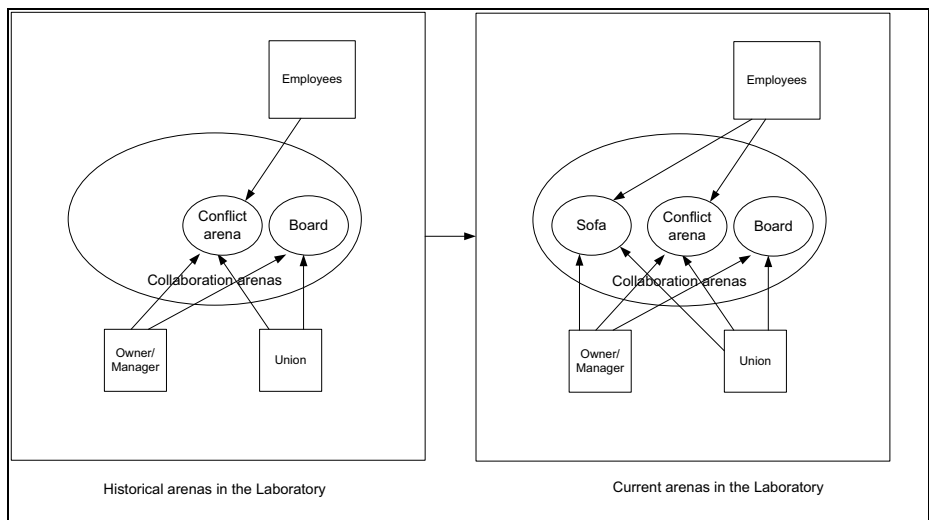
How do the dialogues between management and unions operate at the arenas for peaceful collaboration in the Laboratory?

The Laboratory was a smaller company than the Forge. The employees had a seat on the company's board. Management and the union met for yearly wage negotiations.

During the change project, the Laboratory had to increase their marketing efforts. The managing director asked the employees for suggestions. After a discussion with all employees it was decided that everyone should take part in marketing activities. To discuss the achieved results of the marketing job, the

company bought a Sofa. All employees met at this Sofa to discuss results from the marketing tasks. During these meetings, the agenda gradually changed to other issues of common interest was discussed at the arena. As discussed before, both the managing director and the union leader stated that new issues should be discussed in the Sofa in the future.

Analysing the Laboratory arenas shows the following aspects: The Laboratory was a small company, but despite this the union had a member of the board. Management and employees met once a year for wage negotiations. As the figure below shows, these were the two collaboration arenas in the Laboratory at the start of the change project. As a result of the change project a new arena, called the Sofa, was created. This arena started as one where employees gave status updates regarding the company's marketing activities, but gradually the Sofa turned into an arena for broader participation in the Laboratory.



**Figure 11: Arenas at the Laboratory**

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The left part of the figure shows the historical arenas in the Laboratory. The different actors are shown as boxes named owner/manager, employees, and unions. The Conflict Arena and Board arenas are drawn as ellipses. The collaboration arenas where management, employees, and unions met are indicated by grouping these and drawing an ellipse around them. Arrows on the figure show which actors met at which arena. The right part of the figure shows the arenas in the Laboratory after the changes performed during the change project. The Sofa was a symbol for the new collaboration arena in the Laboratory. Management invited all the employees to take part in discussions, and the employees accepted this invitation.

My conclusion is that a collaboration arena exists in the Laboratory. This arena, the Sofa, was established during the change project, and the arena is actively used to discuss matters of common interest between management and the employees at the Laboratory.

#### **9.4 – Summary of findings on collaboration arenas**

In the Forge the employees were more satisfied with the old direct participation method and wanted the shop floor arena to continue, but because of the growth of the number of employees and companies in the group this seemed impossible. At the Laboratory, a collaboration arena, the Sofa, was established during the change project, and the arena is actively used to discuss matters of common interest between management and the employees..

## **Chapter 10 – What enables or hinders broad participation?**

### **10.1 – Problem statement**

The goal with this research was to understand what enables and hinders implementing broad participation in companies. Participation is defined according to Pateman (1970) as employees taking part in decision-making at a company. Decisions in companies are made in different phases of the process, and at different levels (Eikeland & Berg, 1997) in the organisation. Broad participation means that employees to a high degree takes part in decision-making in most of the process' phases and as high as possible in the organisation.

Based on a theoretical discussion, a theoretical model was developed that provided five important factors that influence the implementation of broad participation in companies. These factors are: support from the Industrial Relations System, organisational history of collaboration, management choice to allow unions to take part in development work, the unions' willingness to participate in development work, and the existence of collaboration arenas. Broad participation is the result of the collective experience gained at a company's collaboration arena—arenas where management and employees meet face-to-face bringing their choices and the organisation's history to the arenas. Based on this model, five sub-questions were developed:

- How has the Industrial Relations System influenced the change process?
- How have organisational routines influenced the implementation of broad participation?

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- To what degree does management choose to allow union involvement in a company's development work?
- To what degree does the union choose to accept management's invitation to take part in peaceful collaborative work?
- How do the dialogues between management and unions operate at the arenas for peaceful collaboration?

In the previous chapters I have argued that analysing these five sub-questions will answer the main research question on what enables or hinders implementation of broad participation in companies.

## **10.2 – Answers to the sub-questions**

The Industrial Relations System's (Dunlop, 1993) importance in the struggle to implement broad participation was the first sub-question. The initiative to start the change project came from the trade union (LO) and the enterprises (NHO), two of the actors in the Norwegian Industrial Relations System. The change project was run in a group of companies, with both individual companies and the overall group taking part. The group of companies received funding from the Industrial Relations System through the Joint Programme (HF). HF also contributed with knowledge resources and had two members on the change project's board. The financial support from HF was a premise to run a change project in the first place. This support also required participative collaboration between managers and employees while running the project. The Forge received financial support to hold a dialogue conference, and to follow-up with the subsequent action list in the company. Representatives from HF took part in planning the dialogue conference. Both management and the union at the Forge were part of the change project's board. The Laboratory received financial

Reorganising the workplace: factors that affect implementation of broad participation support to arrange a dialogue conference, but representatives from HF and the change project didn't take part in the planning nor the running of the conference. Neither the Laboratory's management nor the union was part of the change project's board.

The second sub-question considered organisational routines. At the group level, there are no written organisational routines. The top level in the Quality Assurance system is empty. The decisions were made by the owners based on flexible, but unwritten routines. Historically, there have been good relationships between the owners and their employees, but the unions didn't formally participate when the organisational routines were created. Further, the unions were not part of the decided routines at the group level. In the Forge the organisational routines were created by one of the owners before the group was established. The routines were made without formal employee participation. But, the research shows that the managing director often visited the shop floor and talked informally to all his employees. This gave the employees a type of direct participation in the Forge's decision system. An employee expressed that in the past important matters could be solved by an informal dialogue with the owner before turning into a fight; today's management waits until there was an actual fight that had to be solved formally. In contrast, the Laboratory was a new company, and some of the routines had not yet been established. The routines that were in place were created without employee participation. The company didn't earn enough money, and an extra marketing effort was needed. In this situation, management invited the employees to discuss how this should be done. Employees accepted the invitation, and new marketing routines were discussed and selected in collaboration between management and employees. The new routines, where all employees took part in marketing, led to more customers and better earnings for the company. The status meetings at the Sofa gradually developed



Reorganising the workplace: factors that affect implementation of broad participation into ones where daily work was planned. Management allowed collaboration with unions in other matters than marketing. The result was that broad participation was implemented in the Laboratory; the change in existing routines was discussed and decided in collaboration between management and employees.

Management's choice to allow unions to take part in development work and decision-making was the third sub-question. The group of companies was owned and run by two local entrepreneurs. The owners, with assistance from some of their closest colleagues that formed an inner circle, made the decisions for the group. Unions were not invited to participate in the decision process; neither were the managers nor the boards in the individual companies. The owners utilised power as potestas (Spinoza, 2000 [1677]), by not allowing unions to take part in decision-making. In the Forge, management said that they originally wanted to involve unions, but that this hadn't happened because there was no time for collaboration. A small administration and a lot of new contracts to negotiate led to a lower priority to collaborate with unions in development matters. The result in the Forge was that management didn't allow unions to partake in development work. In the Laboratory, management asked the employees to join in the struggle to decide how to perform marketing activities; management allowed employees to partake in development work. The agreed way of executing marketing was successful, and management then invited employees to take part in the planning of the daily work. These examples show how management at the Laboratory utilised power as potentia (Spinoza, 2000 [1677]).

The fourth sub-question was about the unions' willingness to collaborate with management in development work. The group was organised into individual functional companies. This organisation structure created difficulties for the unions at the group level, as they had no meeting place outside their own company. As a result

Reorganising the workplace: factors that affect implementation of broad participation of the change project, an alliance of unions was created to cope with this challenge. One of the goals for the alliance is to support broad participation and dialogue between management and unions, both at a group and company level. At a group level, the alliance asked to be members of the Technical Advisory Board, and the chairman of the board approved. The owners and their Group Board have not invited the unions to take part in development work and decision-making at the group level, but if such an invitation comes, the unions plan to respond positively. In the Forge, the willingness by unions to participate in development work and decision-making seems more doubtful. On one side, the employees suggested to create two new arenas for collaboration, the Friday coffee and the lunch benches—but on the flip side, employees said that those who walked too often between the shop floor and the management building were disliked, indicating the presence of an active workers' collective system (Lysgaard, 1961) that in reality didn't want too close a collaboration with management. A long-time union leader was not re-elected after he took an active role in the change project. Based on these events, the research findings are that the Forge's employees and union prefer to fight—or box (Huzzard, 2004)—rather than collaborate peacefully—or dance (Huzzard, 2004)—with management. At the Laboratory, the union was willing to participate in both development work and decision-making. When invited by management to discuss marketing, and later to be part of the planning of today's work, the union accepted this invitation. This acceptance started a collaboration between management and unions in the company; a collaboration that among other things has contributed to more customers and better earnings, benefitting all.

The fifth sub-question dealt with the existence (or lack thereof) of collaboration arenas. At the group level, there was an arena for collaboration—the

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Group Working Environment Committee. The owners were part of this arena. There was also the Technical Advisory Board where the managing directors from the technical companies and two representatives from the alliance of unions meet to discuss development issues. A result of the change project brought union presence to the Technical Advisory Board, but it is too early to draw conclusions on the importance of this collaboration arena. At the Group Board, where the two owners and their closest employees meet, there are no union members. Overall, the unions are not part of any collaboration arena where the two owners also participate. In the Forge, the employees suggested creating two new arenas, Friday Coffee and closer lunch benches closer; both were rejected by management. There is no longer an arena for collaboration between management and unions in the Forge. But in the past the owner walked around the shop floor, creating a collaboration arena that I have called the “Shop Floor Arena” in this dissertation. Even though the owner made decisions himself, it seems that he had discussed matters with employees beforehand. The employees at the Forge missed this direct dialogue with management. In the Laboratory, a concrete challenge regarding marketing gradually deepened the dialogue between management and unions in the company. Starting with how to cope with the marketing challenge, the discussions later covered planning daily work. A Sofa was bought, and management and employees met by this Sofa at nine o’clock every morning—the Sofa being the symbol of the company’s new collaboration arena.

These results are summarised in the table below.

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	group level	The Forge	The Laboratory
How has the Industrial Relations System influenced the change process?	Supported by funding and knowledge	Supported by funding and knowledge	Supported by funding
How have the organisational routines influenced the implementation of broad participation?	Made without participation	Made without participation, but ...	Made with participation
To what degree does management choose to allow union involvement in a company's development work?	Don't allow (potestas)	Don't allow – but ... (potestas)	Allow (potentia)
To what degree does the union choose to accept management's invitation to take part in peaceful collaborative work?	Not invited (N/A)	Don't accept (boxing)	Accept (dancing)
How do the dialogues between management and unions operate on the arenas for peaceful collaboration?	Group Working Environment Committee - but not at strategic level	No arenas – but ...	The Sofa – an arena for all employees, dialogues are working well

**Table 2: Answers to the sub-questions**

The “but...” references in the table indicate that there previously was collaboration between the owner and his employees on the Shop Floor Arena.

### **10.3 – Findings in relation to the theoretical model**

At the group level, there are several factors that hinder implementation of broad participation. The owners used their power over the organisation to prevent established written decision routines at the top level of the Quality Assurance system. There are no written routines that define how to act between the group's management and the individual companies. It is possible that employees could be part of an informal decision routine like the Group Board, but this seems unlikely.

The second problem with implementing broad participation is that as long as the group consists of legally independent companies, there are difficulties in how the unions in these different companies can act at the group level. To cope with this, an alliance of unions was created as part of the change project, with the hope that over time this could be a partner that the group management has to consider when making decision. It might also enable implementing broad participation at a group level. This is not the case today. It is difficult for group management to implement broad participation as long as there is no partner to either dance or box with. In the two selected companies, both management and unions have different attitudes.

My conclusion at the group level is that when the change project started there was no participation at all. The main reason for that was that there was no alliance of unions for management to dance or box with. There was also an additional challenge in this particular group because it had no written routines in the Quality Assurance system concerning how to make group-level decisions applicable for all companies in the group. This could be an opportunity for the alliance of unions because when these routines are formalised in the future, unions could be part of the process. In the change project this was a drawback, because the group management had no written

Reorganising the workplace: factors that affect implementation of broad participation routines on how to act and therefore it was difficult to predict how they wanted employees to participate in decisions; it varied both at the group and company level.

In the Forge, the routines on how to act are from the 1980s; except for allowing an employee on the company's board, these routines don't include employees in decision-making. These routines are hard to change (Nelson & Winter, 1982). When the routines were decided, the managing director was often present on the shop floor discussing issues with his employees. According to Forge employees, the current managing director does not care for the employees and is hardly seen on the shop floor. The union prefers boxing, not dancing (Huzzard, 2004) and the managers prefer power as potestas (Spinoza, 2000 [1677])—combined, these hinder implementing broad participation at the Forge. When management and unions at the Forge started the change project, they had already fought for years. This history of fighting between management and the union still occurs today—and probably will continue in the future. Both management and the unions struggle to implement broader participation on their own premises, but the result is no change. When the owner bought the Forge in 1981, he managed the company by walking around the shop floor. He made the final decisions but informally discussed the issues with employees at the shop floor arena. The routines on how to act are hard to change for both unions and management. The new managing director didn't walk around the shop floor before making decisions. These organisational routines were hard to change. The result was frustration among the employees in the Forge. The shop floor arena is closed down, and no replacement arena created. The results are no arenas for collaboration, organisational routines that are made without employees' participation all hinders implementing of broad participation. The Forge has received funding and knowledge from HF, but still the result is no change in the participation.

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The group's situation is very much the same as in the Forge. The difference is that an alliance of unions was established at the group level, and was represented in the Technical Advisory Board. This alliance is positive towards dancing with management, but they have not been invited to take part in the decision-making arenas. The result is that the change project has led to collaboration between the different unions in the group, but that there has been no change in collaboration between management and unions. No arena for collaboration, management and owners that use potestas and not allow employees to take part in decision-making, organisational routines made without employee participation—these all hinder implementing broad participation. Even if the unions are inclined to collaborate with management and the group received funding and knowledge from HF, these factors did not change the situation to a degree that broad participation succeeded.

For the Laboratory the situation was different. This was a new company that had to act because of a need for more customers and income. In contrast to the Forge, the Laboratory's management and union started the change project without a prior history of fight. They succeeded in this through a joint effort between management and employees. Management and employees in the company extended this collaboration to include planning daily work. Their daily meeting at the Sofa creates an arena for collaboration. The union preferred dancing and the management has allowed broad discussions of how tasks should be done; management prefers power as potentia. The result of this is a company that has developed broad participation and where management and employees collaborate extensively in the company's development. The Laboratory is a new company and doesn't have routines for all possible situations yet. Marketing was one of the areas where there were no routines. Management invited employees to be part of the process and the agreed routines

Reorganising the workplace: factors that affect implementation of broad participation include employee participation. Unions agreed to participate and thus prefer to dance. The success of the first participation project on marketing led to further peaceful collaboration. The Laboratory is a new company with good relations between management and unions when it comes to collaboration. The change project has contributed to implementation of broad participation in the Laboratory. Arenas for collaboration exist, unions prefer dancing, management allows for employees taking part in decision-making, and the organisational routines are now made in collaboration between management and unions. The Laboratory received some funding from HF, but no knowledge transfer took place from HF to the company.

These results are shown in the table below:

	<b>Influence from IRS</b>	<b>Routines made with participation</b>	<b>Management's choice</b>	<b>Union's choice</b>	<b>Arenas</b>	<b>Result</b>
<b>The group level</b>	Funding and knowledge	No	Potestas	Dancing	Yes, but	No broad participation
<b>The Forge</b>	Funding and knowledge	No	Potestas	Boxing	No	No broad participation
<b>The Laboratory</b>	Funding	Yes	Potentia	Dancing	Yes	Broad participation

**Table 3: The findings according to the theoretical model**



## **10.4 – Conclusions**

The findings show varied results when implementing broad participation. In the Laboratory, broad participation was implemented with success. In the Forge and at group level, broad participation was attempted but failed.

These differences are highlighted by the varied answers to the five sub-questions. The research shows systematic differences in the achieved results dependent on: the existence of a peaceful collaboration arena, a union's choice of boxing or dancing when invited to take part in development work and decision-making, management's choice to utilising power as potestas or potentia, the organisation's history, and type of support from the Industrial Relations System. In the Laboratory, which succeeded in implementing broad participation, a peaceful collaboration arena existed, the unions chose dancing, management chose to view power as potentia, the organisational routines that represent organisational history was made in collaboration between management and unions—but the company received no support from the Industrial Relations System except for funding a dialogue conference that the company ran itself. In the Forge and at the group level, where implementation of broad participation failed, there was no arena for peaceful collaboration between management and unions, management chose to view power as potestas, organisational routines were made without unions participation—but the company and group both received funding and knowledge support from the Industrial Relations System. The findings varied on unions choosing boxing or dancing with management; in the Forge the union chose boxing, at group level the unions chose to dance.

These differences were partly as expected from the theoretical model. The model states that what enables or hinders broad participation are arenas for peaceful

Reorganising the workplace: factors that affect implementation of broad participation collaboration, union's choice of boxing or dancing, management's choice to allow participation by unions in development work and decision-making, the organisational history, and support from the Industrial Relations System through HF. The findings presented indicates that these are important factors, with the exception of two: the unions' choice of boxing or dancing seems unimportant if management chooses to view power as potestas, and knowledge support from the Industrial Relations System seems less important than expected.

An unexpected result was that I found that the organisational routines and the local context mattered differently than my hypothesis. The local context included small class gaps between owners and employees. According to the local "rule", the owner of the Forge managed the company by walking around the shop floor, which created an arena where employees directly participated in the Forge's operations. When the group of companies was created, the owner moved his office to the oil supply base, and the new manager brought a different management style; he didn't walk around the shop floor. A consequence of this change was that the employees lost their direct line of communication with management at the shop floor arena. The shop floor arena closed down, with no new collaboration area created for management and employees. This possibly ignited a spark, and the workers' collective system activated, working hard to prevent a too close collaboration between management and employees. Despite that, many of the employees wanted a close collaboration with management; they wanted that direct dialogue as they had with the owner in the past. These employees proposed that the managing director should drink his Friday Coffee at the shop floor, and that the employee and managerial lunch benches should be moved closer together. Both these proposals could create a direct dialogue with management and open a new collaboration arena in the Forge, like the shop floor

Reorganising the workplace: factors that affect implementation of broad participation arena from the past or like the Laboratory's Sofa. The managing director first agreed, but by not acting upon those decisions, effectively turned them down, and no new collaboration arena was created. The employees' attempt to revitalise a shop floor failed. The workers' collective system won the internal struggle, and fight with management was the result.

My finding is that in the past the employees had a type of direct participation with the owners during his shop floor walks. The broad participation that the Industrial Relations System promotes is also participation by the employees, but this participation is "administered" by the union, not individual employees. This was a major break from the history of collaboration at the Forge. Each employee had direct participation with the owner without any intermediary union. The change project proposed using HF's broad participation model that, for the employees, was a different type of participation than expected; participation where the union played a vital role was not according to the mindset of the employees. My conclusion is that in this group of companies, implementation of broad participation—understood as collaboration between management and unions—was hindered by the organisational history of direct participation by the owner walking around the shop floor. In fact, broad participation was further hindered by the regional context with small class gaps and a historically close collaboration between the owner and his employees. For me, that was an unexpected finding.

The conclusion is that the following elements hinder and enable broad participation: The factors that hinder implementation are management's choice to view of power as potestas, the lack of arenas for peaceful collaboration, employees not being part of organisational history with respect to routines and process development, and past employee experience with close, direct collaboration with

Reorganising the workplace: factors that affect implementation of broad participation management. What enables implementation of broad participation is management's choice to view of power as potentia, the presence of peaceful collaboration arenas, that union's choose dancing over boxing, and that employees and management discuss and decide organisational routines collaboratively—learning how to participate by participating.

These are my conclusions of what enables or hinders implementing broad participation in the actual companies. This knowledge could be applied when a change project implementing broad participation is suggested started in companies in this area, but the findings are linked to research in one group of 18 companies, especially in two of these companies.

### ***10.5 – Implications for further research***

In this dissertation, the group and two of the companies in the group are analysed in order to answer the research question of what enables or hinders implementation of broad participation. Five sub-questions are developed based on the research question, and the analysis is presented in five analysis chapters (chapters 5-9). The group, the Forge, and the Laboratory are analysed separately in each of the five chapters. This manner of organising the analysis will involuntary lead to some redundancies where some data is relevant in more than one analysis. A dismissed alternative was to present the analysis in three chapters covering the group, the Forge, and the Laboratory, and in each of the three chapters perform an analysis of the five sub-questions. While this could have prevented some of the redundancies in the presented data, it would result in a more complicated analysis—the focus could move from analysing the sub-questions to more of a storytelling format.

In the researched companies, HF had a minor role in the Laboratory that succeeded in implementing broad participation. Perhaps support from HF as it is

Reorganising the workplace: factors that affect implementation of broad participation given today is less important when implementing broad participation in companies that have no history utilising collaboration between management and unions on development issues? It is difficult to promote broad participation in companies that have no practise in using this method, or in companies which are set in a boxing situation and with no willingness to change. History favours companies that already have collaboration in place.

Gulowsen (1987) claims that in Norway, there are regional differences in the union's strength. In addition, this research shows that in a region with small class gaps and traditionally close direct participation between owners and employees, it is difficult to promote broad participation "the HF way" because this is a different "looser" participation than usual. A result of this could be that HF should consider another way of promoting broad participation in regions like this—one that is closer to the traditional form of direct participation between the local owners, the managers, and their employees. This should be further researched.

In the past this group of companies was informally organised. The owners knew all employees and made all decisions. The group has grown, but many elements from this informal way of acting remains. A kind of formal bureaucracy is slowly emerging. Research on such transitions should be performed.

A last suggestion is to research the dissemination of broad participation in Norway. Gustavsen et al. (2010) claim that collaboration on a company's shop floor will be of less importance in the future; what counts are development-coalitions between different companies. An implicit premise to their conclusion is that management and unions already collaborate at the workplace. This is the case with the companies researched for their book (Gustavsen, et al., 2010). These companies developed collaborative processes between managers and unions over the last forty

Reorganising the workplace: factors that affect implementation of broad participation years, but are their conclusions accurate for companies that just started collaborating between management and unions—or for companies that traditionally had another type of collaboration where the union played a minor role, if one at all? Only future events—and subsequent research—will tell.



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## **Appendix A: Data sources used in this dissertation**

### ***Written materials***

#### **Reports**

- Oppsummering VS2010-arbeidet i INC Gruppen i Florø 2004-2007
  - Vestlandsforskning (VF rapport 11/2007)
- Forprosjekt rapport – “Med INC Gruppen inn i framtida” – 07.09.2005
  - INC Gruppen
- “Med INC Gruppen inn i framtida” – Sluttrapport 31.12.2009
  - INC Gruppen

#### **Applications**

- Forprosjektsøknad HF : “Med INC Gruppen inn i framtida”, dated 2004
- PROSJEKTSØKNAD: “Med INC Gruppen inn i framtida - frå produksjon til marknad”, dated 6<sup>th</sup> June 2006

#### **Action plans**

- WIS Handlingsplan, dated 31<sup>st</sup> October 2007
- Tiltaksplan etter samarbeidskonferansen, dated 2007

#### **Publications from the group**

- Nytt fra INC Gruppen (no 1 2006 – no 1 2010)

#### **Reflections**

- Strand, G. L. (2006). *Forskaren sin fortolkande og deltakande tilnærming. Ein hermeneutisk refleksjon med utgangspunkt i erfaringar i eit*



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### **Minutes from conferences (including researchers' reflections)**

- WISS kartleggingskonferanse 3. og 4. desember 2004
  - VF Notat 13/2004
- INC Engineering kartleggingskonferanse 14. januar 2005
  - VF Notat 4/2005
- WIS kartleggingskonferanse 28. og 29. januar 2005
  - VF Notat 5/2005
- Saga Fjordbase dialogkonferanse 2. februar 2005
  - VF Notat 6/2005
- Tillitsvaldkonferanse INC Gruppen 14. og 15. april 2005
  - VF Notat 12/2005
- Tillitsvaldkonferanse INC Gruppen 2. og 3. februar 2006
  - VF Notat 4/2006
- Samarbeidskonferanse INC Gruppen 16. og 17. november 2006
  - VF Notat 16/2006
- Kartleggingskonferanse INC Vedlikehold Svelgen as 18. november 2006
  - VF Notat 18/2006
- Kartleggingskonferanse NBN Elektro og NBN Installasjon 16. mars 2007
  - VF Notat 2/2007

### **My researcher memos (stored in NVivo)**

- Business card
- Change in own project

- Explaining success
- Fight between company and group
- Funding
- INC group's organisation
- Participation
- Pre understanding
- Reflection end-conference
- The enterprise development project
- The owners vs. decision
- The owners vs. money
- The owners vs. organisation

### **Minutes from meetings and conferences**

16 <sup>th</sup> August 2004:	WIS-WISS
25 <sup>th</sup> August 2004:	LO_SF
2 <sup>nd</sup> November 2004:	Endeleg oppsummering frå møtet i Florø
17 <sup>th</sup> December 2004:	Oppsummering frå møtet i Florø
21 <sup>st</sup> January 2005:	Oppsummering frå møtet i Florø
21 <sup>st</sup> March 2007:	Referat frå møtet i VS2010 Sogn og Fjordane
20 <sup>th</sup> June 2008:	Referat møte i Styringsgruppa HF prosjektet
22 <sup>nd</sup> September 2008:	Referat frå samarbeidskonferansen i Florø
22 <sup>nd</sup> -23 <sup>rd</sup> October 2009:	Referat frå møte med INC bedrifter
1 <sup>st</sup> December 2009:	Oppsummering frå avslutningskonferansen

### Articles from the local newspapers

Date	Newspaper	Title	Page
07.05.2004	Firda	INC-overskot på 12 mill	9
07.08.2004	Firdaposten	Koblar inn turboen	10
26.08.2004	Firdaposten	Fregattkontrakt til Kleven Florø	1,7
16.09.2004	Firdaposten	Hydro: Opnar for Fjordbase	1,12-13
25.09.2004	Firdaposten	Nye millionar til Florø	1,7
25.09.2004	Firdaposten	INC: Den største næringsaktøren	13
28.09.2004	Firdaposten	INC Vedl : Sjukefråveret halvert	6,7
28.09.2004	Firdaposten	Framleis krise i Flora	9
07.10.2004	Firdaposten	Kvar er støtta til Flora	1,16
14.10.2004	Firdaposten	Null til Flora	1,22-23
16.10.2004	Firdaposten	Leiar: Omstilling? Det er Sogn, det	4
21.10.2004	Firdaposten	Kleven: Lovar fleire arbeid	1,9
23.10.2004	Firdaposten	Vil ha pengar til Flora-omstilling	12
26.10.2004	Firdaposten	Ber Siv Jensen om hjelp	1,8-9
28.10.2004	Firdaposten	Fekk pengar i tolvte time	9
30.10.2004	Firdaposten	Fekk framtida rett i postkassa	8
04.11.2004	Firdaposten	Skal bygge i Florø	1,6
04.11.2004	Firdaposten	Omstilling i boks	7
09.11.2004	Firdaposten	Kleven konstruerte skipa til russarane	5
18.11.2004	Firdaposten	Bli næringshagesjef	1, 7
23.11.2004	Firdaposten	Kan få omstillingsmidlar	5
02.12.2004	Firdaposten	Basen har vakraste uteanlegg	10

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04.12.2004	Firdaposten	Slaktar den første oppdrettstorsken	8
04.12.2004	Firdaposten	Inkludert i arbeidslivet. Med jobben ut av krise	16
11.12.2004	Firdaposten	Flora får ikkje omstillingsmidlar	10
16.12.2004	Firdaposten	Berre to søkarar til omstillingsmidlar	1, 14
16.12.2004	Firdaposten	Sintef med Florø-etablering	10
18.12.2004	Firdaposten	Spår 50 nye arbeidsplassar	6
18.12.2004	Firdaposten	Frustrert over Innovasjon Noreg	6
21.12.2004	Firdaposten	Flora må inn i tiltakszona	8,9
23.12.2004	Firdaposten	Suveren julepresang til Flora-samfunnet	1,8,9,10
23.12.2004	Firdaposten	Årets julegåve	4
23.12.2004	Firdaposten	Kleven rekrutterer på jobbmessa	12
28.12.2004	Firdaposten	2004 – slik eg vil hugse det	16,17
30.12.2004	Firdaposten	Stor interesse for Kleven-jobbar	7
04.01.2005	Firdaposten	Asko kuttar Florø	7
06.01.2005	Firdaposten	Miljøkrav tvingar fram bossbrenning	5
06.01.2005	Firdaposten	Søknadsboom etter avisoppslag	6
11.01.2005	Firdaposten	Verftskrise er over	10
11.01.2005	Firdaposten	Krise eller sunnfjordsk surrealisme?	12,13
20.01.2005	Firdaposten	Legg ned klekkeriet – kjøper av konkurrent	11
22.01.2005	Firdaposten	Statoil tek over Saga-oppgåver	1, 11
25.01.2005	Firdaposten	Mista lab-jobben, får ny i nabobygget	1,7

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25.01.2005	Firdaposten	Ikkje invitert til kamp om storkontrakt	1,9
27.01.2005	Firdaposten	To utan jobb	8
29.01.2005	Firdaposten	WIS treng endå fleire	13
03.02.2005	Firdaposten	Gjev kontraktar til Polen og Russland	14
08.02.2005	Firdaposten	Startar nytt elektrofirma	2
12.02.2005	Firdaposten	Rekord i boks	1,7
12.02.2005	Firdaposten	WIS får ikkje tak i norske fagfolk: Må leite i utlandet	5
17.02.2005	Firdaposten	Sikra basedrifta i opp til 10 nye år	1,6
19.02.2005	Firdaposten	Ingeniørane positive til Statoil-kontrakten	5
24.02.2005	Firdaposten	Norwegian Marine trappar opp	6
10.03.2005	Firdaposten	Flora fekk mest forskingsstøtte	8
12.03.2005	Firdaposten	WIS bygger gassrøyr i Gunhildvågen	7
17.03.2005	Firdaposten	Kleven deler båt og modular	22
19.03.2005	Firdaposten	Aukar frå 60 til 90 mann (WISS)	8
02.04.2005	Firdaposten	Tilbake i "business"	1,10-11
05.04.2005	Firdaposten	Høgresjefen til Sunnfjord	1,5
07.05.2005	Firdaposten	Ufør og uønskt	1,14,15
09.04.2005	Firdaposten	Rosar Florø	1,10,11
16.04.2005	Firdaposten	Ein av verdas mest moderne boreriggar	18,19
21.04.2005	Firdaposten	Kleven vil ikkje ha småbåthamn	10

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21.04.2005	Firdaposten	Satsar på kvalitetssikring	11
26.04.2005	Firdaposten	Trur på 70 arbeidsplassar	1,7
28.04.2005	Firdaposten	Tysk satsing på florabedrifter	6
07.05.2005	Firdaposten	Ungdom vil tilbake	1,6,7
07.05.2005	Firdaposten	Stenger postdøra i februar 2006	1,8
14.05.2005	Firdaposten	Modulproduksjonen på Kleven: Førde tek over.	6
19.05.2005	Firdaposten	Fristiller alle ansatte	1,15
19.05.2005	Firdaposten	Origod ordna gjennombrøt for Ellingsen	1,14
21.05.2005	Firdaposten	Flora får fem millionar til omstilling: Venta ikkje meir	16
24.05.2005	Firdaposten	Omstillingskameratane (leiar)	4
26.05.2005	Firdaposten	35 bedriftsleiarar vil gi gründerhjelp	12
28.05.2005	Firdaposten	Bremanger sviktar Flora Nærshjukerhus	1,6,7
31.05.2005	Firdaposten	Reidar redda basen	1,10,11
31.05.2005	Firdaposten	Bad legane slutte å bruke nærshjukerhuset	8,9
02.06.2005	Firdaposten	Ta affære Bente	1,12
02.06.2005	Firdaposten	Sandal kan ikkje få æra	5
04.06.2005	Firdaposten	Eksta oppdrag til Kleven Florø	6
04.06.2005	Firdaposten	Bente slår tilbake	12
16.06.2005	Firdaposten	Spår 20 nye arbeidsplassar	5
16.06.2005	Firdaposten	Vil ikkje levere til Davik	5

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16.06.2005	Firdaposten	60 polakkar skal hjelpe Kleven Florø	6
18.06.2005	Firdaposten	Florø-rapport blei underkjent	1,6,7
18.06.2005	Firdaposten	Nytt oppdrag for Norwegian Marine	5
21.06.2005	Firdaposten	Båtimport Brasil-Stryn over Fjord Base	5
23.06.2005	Firdaposten	Test pioneranlegg på Fjord Base	18
30.06.2005	Firdaposten	Knyter viktige band til Tyskland	12
02.07.2005	Firdaposten	Kameraderi i Sunnfjord 2020	1,10,11
02.07.2005	Firdaposten	Opprettar filial i næringshage	5
14.07.2005	Firdaposten	Kan få brannbasen	1,8
14.07.2005	Firdaposten	Vi spring frå Sogn (leiar)	4
23.07.2005	Firdaposten	Mange nye lærlingar i INC	18
06.08.2005	Firdaposten	Kleven treng 80 mann	1,7
09.08.2005	Firdaposten	Flora profilerer seg på havbruksmesse	6,7
11.08.2005	Firdaposten	WISS med 50 arbeidarar i Ulsteinvik	9
11.08.2005	Firdaposten	Halvert omsetning (Saga )	9
20.08.2005	Firdaposten	Trur gasses kan gi nye arbeidsplassar	1,14,15
20.08.2005	Firdaposten	Pluss for vedlikehald (INC vedlikeh.)	7
25.08.2005	Firdaposten	Lågare kadmium-tap enn venta for Ewos	5
27.08.2005	Firdaposten	Flest nyetableringar i Flora og Askvoll	7
03.09.2005	Firdaposten	Gjer klart for akvalinje i Flora	1,14
06.09.2005	Firdaposten	De er altfor få (nærskjukehuset)	1,12

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08.09.2005	Firdaposten	Ber om meir omstillingsmidlar	8
08.09.2005	Firdaposten	Lovar rask evaluering (nærskjuehuset)	9
24.09.2005	Firdaposten	Optimismen er tilbake	1,6
27.09.2005	Firdaposten	Over 200 faste på Kleven	7
29.09.2005	Firdaposten	Vann kundesenteret	19
01.10.2005	Firdaposten	Skuldar Steimler for bank-samrøre	1,6,7
06.10.2005	Firdaposten	Torskevekst for INC-selskap	5
11.10.2005	Firdaposten	Steimler sa stopp	1,12
11.10.2005	Firdaposten	Tener pengar igjen	9
13.10.2005	Firdaposten	Storkontrakt med Aker Brattvaag	13
13.10.2005	Firdaposten	Har selt fire mill. yngel for 2006	13
15.10.2005	Firdaposten	Ny giv på Svanøy	1, 9
25.10.2005	Firdaposten	Splittar sjefsjobben	8
27.10.2005	Firdaposten	Rett å dele stillinga (leiar)	4
01.11.2005	Firdaposten	Har mista 2500 arbeidsplassar	1,6,7
03.11.2005	Firdaposten	Oljeteam skal skaffe meir oljeaktivitet	8,9
03.11.2005	Firdaposten	Bygg nettverk og tenk positivt	13
10.11.2005	Firdaposten	Nye oppgåver for Steimler	5
10.11.2005	Firdaposten	Vågsøy "dømt" til samarbeid	11
12.11.2005	Firdaposten	Saman for kysten	1,11
19.11.2005	Firdaposten	Bygger skip på 205 meter	1,10,11
22.11.2005	Firdaposten	Bortne tek over næringshagen	12
24.11.2005	Firdaposten	Nærskjuehuset manglar pengar	1,6



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24.11.2005	Firdaposten	Svanøy kan berge akvalinja	9
26.11.2005	Firdaposten	Fanøy feira Øy Tex	6
26.11.2005	Firdaposten	Byggjer ny roro-kai på basen	7
26.11.2005	Firdaposten	Uklart om helibasen	21
03.12.2005	Firdaposten	Avviser flytting (helibase)	1,11
03.12.2005	Firdaposten	20 prosent færre utan arbeid	5
08.12.2005	Firdaposten	Inn i styret (Sunnfjord 2020)	1,8
08.12.2005	Firdaposten	Stopp tvilen om basen (leiar)	4
08.12.2005	Firdaposten	Vil unngå debatt om redningsbasen	5
15.12.2005	Firdaposten	Laboratoriet flytta til Trolleskjeret	15
17.12.2005	Firdaposten	Milepæl for Mercatus	1,18
20.12.2005	Firdaposten	Brigt skal leie Sunnfjord 2020	1,6
20.12.2005	Firdaposten	Brødrene Aa i Hyen snusar på Eikefjord	5
22.12.2005	Firdaposten	Svelgen Næringsråd får ein mill kr	1,5
22.12.2005	Firdaposten	Kleven skal ha godt over 300 tilsette	6,7
22.12.2005	Firdaposten	Sunnfjord 2020 byr på jobbmesse i romjula	6,7
24.12.2005	Firdaposten	Storkontrakt fekk fram julegliset	1,5
27.12.2005	Firdaposten	Full sikring (Fjord base)	5
29.12.2005	Firdaposten	Satsar 25 mill på ny katamaran	1,6
31.12.2005	Firdaposten	Gler seg til barnehagejobb	1,14
31.12.2005	Firdaposten	Dei har jobbane, men no manglar næringslivet ungdom til å fylle dei	10

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05.01.2006	Firdaposten	Stoppar redningsbasen	1,9-11
07.01.2006	Firdaposten	Bygg Florø-basen	1,10,11
07.01.2006	Firdaposten	Fekk napp hos Kleven Florø	12
10.01.2006	Firdaposten	Nord-Norge støttar Florøbasen	1,11
14.01.2006	Firdaposten	Skal spisse Sunnfjord 2020	1,14,15
14.01.2006	Firdaposten	Forbanna på regjeringa	1,7
14.01.2006	Firdaposten	Ny optimisme for skjelmottak	1,5
19.01.2006	Firdaposten	Sankar underskrifter for redningsbasen	1,12
21.01.2006	Firdaposten	Vi stangar i taket	leiar
28.01.2006	Firdaposten	Null drahjelp til Flora og Førde	6,7
31.01.2006	Firdaposten	Sunnfjord sett på gangen (leiar)	4
31.01.2006	Firdaposten	Florø sit ribba att	6,7
31.01.2006	Firdaposten	Gjer inntok på Tampen	12
02.02.2006	Firdaposten	Lykkeleg lab-løysing i Gunhildvågen	1,6,7
04.02.2006	Firdaposten	Slutt etter 46 år	1,10,11, 12
07.02.2006	Firdaposten	3000 underskrifter for basen	1,5
14.02.2006	Firdaposten	Havlandet fekk mest til næringsutvikling	6,7
21.02.2006	Firdaposten	Vil gjere kysten til attraktivt cruisemål	1,8
04.03.2006	Firdaposten	Ingen base i 2007	1,6,7
04.03.2006	Firdaposten	Høgskulerektor til Trolleskjeret	10

Reorganising the workplace: factors that affect implementation of broad participation

18.03.2006	Firdaposten	Blått lys for blåskjelmottak	1, 16
21.03.2006	Firdaposten	Tek opp kampen frå sjukesenga	1,5,14
25.03.2006	Firdaposten	Angrar ingenting (Silden)	1,6,7
18.04.2006	Firdaposten	Solid resultat i INC-konsernet	10
25.04.2006	Firdaposten	Oppgjer med Flora-sutringa	1,6
29.04.2006	Firdaposten	Bente banka i border	5
04.05.2006	Firdaposten	Trafikken stuper på Florø lufthamn	1,7
16.05.2006	Firdaposten	Nye INC-direktørar	8
27.05.2006	Firdaposten	SINTEF tek jobben	8
03.06.2006	Firdaposten	Roro-rambe klar på Fjord Base	8,9
08.06.2006	Firdaposten	Endeleg base-ja	1,6,7
13.06.2006	Firdaposten	Full arbeidsgjevaravgift for Flora, Førde og Sogndal	6
13.06.2006	Firdaposten	Ny yngelhall på Fjord Base	7
15.06.2006	Firdaposten	På desperat ingeniørjakt	12,13
24.06.2006	Firdaposten	Aker Yards tek over Kleven Florø og Kleven Design	1,14,15
29.06.2006	Firdaposten	Tøff haust for å unngå svarteboka	1,5
08.07.2006	Firdaposten	Trur ikkje på nedlegging	1,5
08.07.2006	Firdaposten	Rett inn på Robek	1,7
11.07.2006	Firdaposten	Bygg ut EWOS	1,6,7
04.08.2006	Firdaposten	Doblar omsetninga (Fokus elektro)	8
04.08.2006	Firdaposten	Nytt dotterselskap i NBN treng fagfolk	9

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15.08.2006	Firdaposten	Ny toppsjef i Florø	1,6,7
24.08.2006	Firdaposten	Full fres i oljegryta	1,14,15
26.08.2006	Firdaposten	Ler seg skakke av Helse Førde	1,8,9
26.08.2006	Firdaposten	Offshore-suksess	1,12
19.09.2006	Firdaposten	Bortne sluttar i næringshagen	8
23.09.2006	Firdaposten	Idemitsu tenkjer langt fram	5
26.09.2006	Firdaposten	For dårlege på produktutvikling	5
26.09.2006	Firdaposten	Inviterer til Gjøa-seminar	7
28.09.2006	Firdaposten	Lang veg mot base	4
07.10.2006	Firdaposten	Grønnevik i hundre over kontrakt	6,7
10.10.2006	Firdaposten	Tilbyr hjelp til småbedriftene	5
17.10.2006	Firdaposten	Ny appelsinbåt ferdig i dokka	7
21.10.2006	Firdaposten	Sender 20 på dør (EWOS)	1,11
21.10.2006	Firdaposten	Entrar ENTRA (Niprox Technology)	9
24.10.2006	Firdaposten	Får dobbel jobb	1,14
24.10.2006	Firdaposten	La mastremynt under første seksjonen	8,9
31.10.2006	Firdaposten	Må ikkje oversjå omstillingsarbeidet	12
02.11.2006	Firdaposten	Ny volumrekord for Global Florø	3
11.11.2006	Firdaposten	Opna Gjøa-nettet	15
18.11.2006	Firdaposten	Folk flyttar frå kystbyen Florø	1,12
02.12.2006	Firdaposten	Bolstad hudflettar Bremanger	1,11
07.12.2006	Firdaposten	Viktig kontrakt for Mercatus	1,8
07.12.2006	Firdaposten	Evaluering av nærsjukehuset snart klar	10

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12.12.2006	Firdaposten	Har ikkje varsla Florø-kutt	2
12.12.2006	Firdaposten	Utvidar subseahall for Statoil	8
14.12.2006	Firdaposten	I mål med kutta (EWOS)	7
16.12.2006	Firdaposten	Florø fekk GjØa	1,13
21.12.2006	Firdaposten	Helse Førde tek ikkje sjØlvkritikk	1,10,11
23.12.2006	Firdaposten	EWOS får it-senter	12
23.12.2006	Firdaposten	Slutt etter 46 år (postsortering)	16
30.12.2006	Firdaposten	Julefiske etter studentar	10,11
09.01.2007	Firdaposten	Førstedame i 2020	10
16.01.2007	Firdaposten	Nydal bygger sin siste båt	1,4,5
15.02.2007	Firdaposten	Opnar Florøbasen for Forsvaret	1,4,5
17.02.2007	Firdaposten	Avviste militær sjarmoffensiv	1,4,5
20.02.2007	Firdaposten	Skal hente heim 40 glupe hovud	1,4,5
22.02.2007	Firdaposten	Regjeringa opnar for militær base i Florø	9
03.03.2007	Firdaposten	Aker Yards sluttar fred med spanjolane	5
15.03.2007	Firdaposten	RØkke sel Aker Yards	1,8,9
29.03.2007	Firdaposten	Betalar ikkje for stengt sjukehus	1,4,5
29.03.2007	Firdaposten	Millionoverskot for Origod	8
14.04.2007	Firdaposten	Statoil Forpleining skal drivast frå Florø	1,10
12.05.2007	Firdaposten	Jubel for GjØa	1,4,5
22.05.2007	Firdaposten	Ny stopp for Florø-redningsbasen	1,8

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24.05.2007	Firdaposten	Havlandet med i nytt forskingsprosjekt	11
29.05.2007	Firdaposten	Endeleg i hus (Swire)	1,9
02.06.2007	Firdaposten	Politikarane "våre" har null makt	1,4,5
07.06.2007	Firdaposten	Fiskerikontoret kan ryke	1,8,9
12.06.2007	Firdaposten	Styrkjer Flørø sin Gjøa-posisjon	38
14.06.2007	Firdaposten	Utneld i protest	1,4,5
16.06.2007	Firdaposten	Nærskulehuset snart historie	1,10
21.06.2007	Firdaposten	Gigantglede i Flørø (EWOS)	1,8,9
23.06.2007	Firdaposten	Skatteauke jager vekk industrien	
26.06.2007	Firdaposten	Bilde skaper trøbbel for Flæte	11
28.06.2007	Firdaposten	Flora taper igjen (NAV)	1,4,5
07.07.2007	Firdaposten	Skytebas kan miste oppdrag	1,4,5
19.07.2007	Firdaposten	Bygger nytt på basen	2
04.08.2007	Firdaposten	Sluttar på grunn av dårlege lønningar	5
09.08.2007	Firdaposten	Har Senterpartiet skulda?	6
14.08.2007	Firdaposten	Lovar mjuk Fjord1-rasjonalisering	1,4
16.08.2007	Firdaposten	Selde suksessbedrifta (Mercatus)	1,7
23.08.2007	Firdaposten	Flora vil fortsatt være ledende	16
25.08.2007	Firdaposten	Ocea vil vidareutvikle Mercatus i Flørø	1,9
30.08.2007	Firdaposten	Har god tru på verftet	4,5
01.09.2007	Firdaposten	Gründeren kasta på dør (Mercatus)	1,4,5
06.09.2007	Firdaposten	Får 54 millionar til redningsbasen	1,4,5,7

08.09.2007	Firdaposten	Redningsbasen – Gir berre utleige av to kjellarleiligheiter	1,16
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## ***Non-written materials***

### **Interviews**

- 12<sup>th</sup> December 2007: CEO (1 hour)
- 14<sup>th</sup> August 2008: On routines
- 18<sup>th</sup> June 2008: Union leaders in the group (4 hours)
- 18<sup>th</sup> November 2008: CEO (1 hour)
- 25<sup>th</sup> November 2008: CEO followup (electronic mail)
- 30<sup>th</sup> September 2009: New CEO (1.5 hours)
- 23<sup>rd</sup> and 24<sup>th</sup> October 2009: Managers and union leaders in four companies in the group (four different interviews)
- 19<sup>th</sup> February 2010: Project management in change project (3 hours)
- 16<sup>th</sup> March 2010: Former CEO (1.5 hours)

### **Films**

- The INC Group, produced 2006 by Flora Multimedia for the INC Group, © INC Gruppen, 2007
- Oljebyen, adapted to DVD by the INC Group, © INC Gruppen, 2007

### **Researchers present at the group headquarters**

122 project-journeys to group were made by me during 2003-2010:

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Year	
2003	2
2004	24
2005	14
2006	11
2007	26
2008	24
2009	17
2010	4

### Dates visited:

02.07.2003, 19.09.2003, 02.02.2004, 27.02.2004, 23.03.2004, 01.04.2004,  
15.04.2004, 23.04.2004, 26.04.2004, 28.04.2004, 29.04.2004, 27.05.2004,  
01.06.2004, 17.06.2004, 10.08.2004, 16.08.2004, 30.08.2004, 06.09.2004,  
08.09.2004, 14.09.2004, 04.10.2004, 21.10.2004, 02.11.2004, 07.12.2004,  
10.12.2004, 17.12.2004, 14.01.2005, 21.01.2005, 31.01.2005, 02.02.2005,  
21.02.2005, 08.04.2005, 15.04.2005, 20.04.2005, 26.04.2005, 04.08.2005,  
28.09.2005, 21.11.2005, 02.12.2005, 16.12.2005, 27.01.2006, 03.02.2006,  
08.02.2006, 20.02.2006, 11.05.2006, 15.05.2006, 23.05.2006, 23.10.2006,  
27.10.2006, 10.11.2006, 27.11.2006, 03.01.2007, 09.01.2007, 24.01.2007,  
31.01.2007, 07.03.2007, 16.03.2007, 21.03.2007, 11.04.2007, 18.04.2007,  
27.04.2007, 09.05.2007, 23.05.2007, 13.06.2007, 04.07.2007, 25.07.2007,  
21.08.2007, 29.08.2007, 05.09.2007, 21.09.2007, 02.10.2007, 24.10.2007,  
02.11.2007, 21.11.2007, 28.11.2007, 05.12.2007, 12.12.2007, 09.01.2008,  
16.01.2008, 27.02.2008, 06.03.2008, 26.03.2008, 02.04.2008, 09.04.2008,



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30.04.2008, 20.05.2008, 04.06.2008, 10.06.2008, 18.06.2008, 20.06.2008,  
30.06.2008, 13.08.2008, 19.08.2008, 03.09.2008, 22.09.2008, 03.10.2008,  
17.10.2008, 23.10.2008, 12.11.2008, 19.11.2008, 10.12.2008, 07.01.2009,  
14.01.2009, 28.01.2009, 17.02.2009, 05.03.2009, 12.03.2009, 01.04.2009,  
30.04.2009, 15.06.2009, 08.07.2009, 17.09.2009, 25.09.2009, 30.09.2009,  
22.10.2009, 23.10.2009, 01.12.2009, 09.12.2009, 19.02.2010, 16.03.2010,  
22.06.2010, 16.09.2010