

A Business and Labour History of Britain.

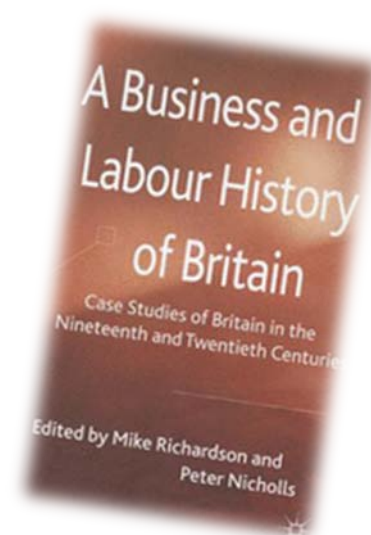
Case Studies of Britain in the Nineteenth and Twentieth Centuries

Mike Richardson and Peter Nicholls. (Eds.)

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This edited book by Mike Richardson and Peter Nicholls gives insights into the development of work, work organisation and social relations at work from the early Nineteenth Century to the present day using various industries, organisations and industrial disputes as reflective cases. Although the time frame of the book is extended to cover almost two centuries, six out of eight chapters concentrate, primarily, on developments in labour-management relations in the early Twentieth Century. Four chapters explore developments in work organisation and employment relations within industries, while cases of individual firms and organisations in various industrial sectors are studied in the remaining chapters.



The range of industries and organisations studied in the book emphasise differences in circumstances – technological, cultural and relational – and clarify the particular factors at work within each industry/organisation that sculpted the various (firm/organisation/industry specific) forms of labour relations and management. The chapters differ in their perspectives and subjects, spanning the range from the impact of technological advancements on work and management; management culture and ideology; to more personalised relations in smaller firms. The broad and general framework, outlined in the introduction, lending a common theoretical underpinnings to these diverse subjects and analytical levels is labour process theory, broadly defined as to embrace various aspects: “such as scientific

management, mechanisation, deskilling, microtechnology, gender division of labour, work organisation and labour relations” (p.3).

Although this seems to cast the net rather wide, more specifically three themes underlie the book and bind the individual studies together as a coherent collection: *job control, change* and *conflict*. Each of these are, in various forms, the subject of the book’s studies and serve to lend them a common perspective, even if they differ in their level of analysis and organisational/industrial context.

The early railway industry in Britain

Following the introduction the book opens with Nicholls’ study of labour management and control in the early railway industry

(mid-1822s – mid-1860s). While the focus of the chapter is the exceptional labour management regime that emerged in the railway industry during this period, two separate developments are duly explored, both pivotal to the form the management of the employees of the railway companies took and its nature under a particular type of paternalism driven and administered by 'salaried' management. The first of these is the intense need for large-scale financing of an industry that originated in an era of small and medium sized companies backed by local and regional banks with very limited capacity to support to the emerging capital intensive industry.

Although the Joint Companies Acts of 1844, 1855 and 1856 paved the way for the growth of the railway companies, Nicholls also shows how enormous costs, corruption and financial (mis)management starved the companies of finance for operations, resulting in a lean approach to labour management - as evident in gruelling working conditions and excessive working time.

The other feature, shaping the railways labour management regime was the ensuing rise of salaried management consisting mostly of ex-military officers who conveniently transferred their military experience and training to their new industry. This resulted in the set up of a meticulously detailed hierarchy of employee ranks and job roles, a fortified system of control that "locked [the individual] into a form of employment and a labour process that dictated a particular desired outcome for every minute of the day, 7 days a week and 365 days of the year" (p.17).

This all-encompassing system of labour control, the prevailing system and ideology of what appears to have been a strong form of autocratic paternalism, and the fact that a high number of employees in the early days of the railways came from a rural background with little experience in

industrial life or workers' organisation, tended to hamper union development within the industry and frustrate resistance, most visible in forms of high labour turnover, petitions, absences from work and drunkenness.

British banks and financial institutions

In his study of the transformation of the banking and financial institutions industry Peter Wardley takes the long view as he explores the intertwined processes of mechanisation of bank work and feminisation of jobs in the Twentieth Century. These, he argues, were conscious strategies of rationalisation in the form of more efficient technologies utilised and cost savings achieved by feminising the workforce, underpinned by a grand strategy of corporate growth through expanding branch banking networks.

The feminisation of banks' staff was, however, an uneven process that, up to the postwar period, happened in bursts due to labour shortages in war times or urgent need for cost restraints in dire economic circumstances. Junior male staff, who felt most threatened by the growing employment of women, were only moderately affected; no junior male jobs were lost. Rather, the recruitment of male staff slowed down as the female labour force grew. Better paid jobs continued to be reserved for male staff as were their promotion opportunities. The gendered discrimination in wages and promotion opportunities rested on social norms and established employment practices: the notion of 'family wage' justified enhanced payments to male employees "to meet the normal family requirements of men" (p.42) and the 'marriage bar' that induced women to leave employment upon marriage, but also served to keep them at the lower end of the salary scale with little chances of progression.

These practices gradually gave way in the postwar period under conditions of tight labour markets, high staff turnover and pressure from more progressive government employment policies culminating in the Equal Pay Act of 1970. Gendered discrimination was of course not entirely outlawed by these developments. The gendered pay gap was only narrowed but not eradicated and other forms of discrimination were continued and reflected in "favouritism in promotion and merit payments rather than institutionalised gender biased salary schemes" (p.44).

Although Wardley does not explore employment relations or the labour process as such, he refers to the highly mechanised work systems, designed and supervised by an equally highly centralised management, as a system of controls. What the banks achieved by standardising and mechanising work practices was essentially the same the railway companies had managed almost a century before them: the surrender of workers' autonomy and acceptance of control by the employer or their agents.

Bliss Tweed Mill

In the first of two chapters exploring strike activities in three firms, Mike Richardson looks at an industrial dispute that took place in 1913-1914 and involved the workers of the Bliss Tweed Mill, the largest employer in the town of Chipping Norton in North Oxfordshire.

The background to the dispute was a wave of industrial unrest in several industries at the time caused by demands for wage increases and union organising campaigns. It was the latter that triggered the Bliss Mill dispute, bitterly fought by both parties – i.e. workers and a staunchly anti-union employer. Although the strike seemed initially to be rather a 'non-event' with the

dispute settled within two weeks and the employer's recognition of workers' union, it flared up again when a large number of strikers were refused employment at the firm. This time the strike continued for another five months. In the absence of any general acceptance of the principles of trade unionism and workers' lack of experience in organisation and collective action, the town was bitterly affected; the community was divided and friendships and families penetrated by the dispute.

Although the strike created its own martyrs, heroes and villains, some of which stories are told by Richardson, it is the circumstances in which the strike took place that take centre stage in the tale. These are well accounted by Richardson who describes the formidable adversity that faced the striking workers. Apart from a notoriously hard-edged, anti-union employer backed by the company's owner, the Birmingham Metropolitan Bank, the mill's employees were divided among themselves with up to a third of the workforce refusing to take part in the strike. They were joined by a number of outside (unionised!) workers who worked in the mill during the strike. To support the local police force in keeping order and ensuring access to work for those who

defied the strike the employer, on his own accord, brought 40 policemen from neighbouring Oxford. Court

sentences tended to go against strikers charged with unlawful assembly, public disorder or violent behaviour.

Although the workers were defeated in the end, and the union recognition that had been won was lost again, the experience equipped workers with very valuable learning and proved instrumental in the political mobilisation that ensued and

culminated in the establishment of a Labour Party branch in the town.

Paper and printing industry

In Chapter 5 Richardson tells the tale of two firms in the paper and printing industry in the context of the national strike of 1926. In both companies, Robinson in Bristol and Dickinson in Hertfordshire, a strong tradition of paternalist management was continued after they became limited joint stock companies (in 1893 and 1918 respectively).

Despite strong similarities in their management traditions the two companies reacted differently to the strike with Dickinson derecognising the trade unions and establishing a house union and Robinson continuing to recognise and bargain with independent unions.

Seeking to explain these different outcomes Richardson considers a number of factors

including the nature of competition for labour in the companies' local labour markets, with Dickinson being

based in a rural area and therefore enjoying less intense competition for labour than the urban-based Robinson, and a history of a more autocratic and less benevolent paternalist management at Dickinson than at Robinson. The latter may have played some role in Robinson's management decision to continue to collaborate and bargain with the unions. Robinson's management not only consisted of members of the Robinson family which guarded the traditions of the firms paternalist past, but also highly religious individuals (including the Robinsons) who were active in social and religious life in Bristol and prominent in local politics infusing the company's strategy with "philanthropic and humane principles" (p.94). Thus, the political activities of Edward Robinson, the company's chairman at the

time, had brought him in contact with Labour councillors, "closely associated with, or members of trade unions. He was, therefore, aware of the latter's growing power" (p.93). However, as Richardson implies, the strike did not last long enough (only nine days) to seriously put Robinson's management to the test; whereas Dickinson promptly responded by derecognising the unions and setting up its own house union. Robinson's management was indeed considering that option when the strike was abruptly brought to an end. Moreover, Robinson did take some initial steps towards ousting union organisation when it derecognised the firm's federated chapel (a workers' forum sanctioned by the firm) and set up departmental works committees instead.

In this context Richardson reminds us that the welfarism pursued by the management

of both companies had probably less to do with preserving the ideals and practices of a paternalist past but more to do with more intense competition with the trade unions for workers' commitment and loyalty. From that perspective, the Dickinson's house union's strategy of equalling or superseding terms of collectively bargained agreements in the industry, as well as Robinson's welfare activities, are of particular interest.

Richardson follows the story of yet another firm in the printing industry in Chapter 6, J.W. Arrowsmith, a small family-owned firm in the Bristol. The chapter focuses primarily on the years between the two World Wars, but in a short section on the early history of the firm, Richardson outlines the type of benevolent paternalism that underpinned its labour relations. As the firm stretches its financial abilities by embarking on investments in new technologies, weathers the storm of two severe economic recessions, and increasingly externalises its

employment relations, the paternalism of the past is gradually chiselled away as benefits offered to employees become less affordable. 'In the course of these developments the firm's welfare policies change from being based on a sense of communal duty towards its employees to using instrumental means in the competition with trade unions for workers' hearts and minds to, eventually, adopting an authoritarian non-benevolent strategy.

An illustrative feature of this process was the employer's efforts to maintain some control of in-house employment relations by setting up (twice) a works committee that proved to be short-lived experiments which buckled when faced with arduous employment relations circumstances. The chapter also explores the impact of modernisation of production methods and the introduction of new technologies on jobs and the subsequent bearing these had on the division of labour within the company. These developments were surrounded by demarcation disputes between unions, loss of employment security, and the hiring of women in jobs previously held by men only - undermining the sense of masculinity and manhood traditionally conferred by the jobs affected.

The BBC

In Chapter 7 Peter Nicholls' sketches the story of the BBC from its early days as a private enterprise (founded in 1922) to the present (governed as a Corporation by a charter since 1926).

Much of Nicholls' study is spent on assessing the legacy of John Reith, the Corporation's first Director General and the myth of his penetrating influence on the organisation's culture that, supposedly, has lasted to the present day. Nicholls does not refute the great man's significant and lasting

influence on the organisation; his strong paternalistic approach to management and belief in the common interests of all members of the organisation, guided by the altruistic ideology of 'giving service' and the role of public service broadcasting as an educating and enlightening instrument for the betterment of the nation. His commanding and overpowering style of directorship was, as Nicholls demonstrates, legitimised and firmly rooted in a managerial culture and "tradition of "absolute control" (p.133) and fortified in his personality as "an organiser and disciplinarian" (p.140).

There is no denying that Reith probably was something of a character, but he was also conditioned by his time and culture and it is questionable if his management style and impact was as distinctive as the myth has it. The enduring culture of 'value consensus' at the BBC, as Reith's legacy, is also to be questioned; the notion of providing 'service' to the public that appears to have induced a sense of 'duty' and some higher purpose among the Corporation's employees.

Contemporary sources indicate that when put on the stand and under adverse economic and labour market circumstances, employees preferred in 1935 to demonstrate their respect and loyalty to Reith's management by rejecting in a vote the setting up of a formal representation of their employee interests and concerns. This

culture of employee submission and deference (something that seems to have been rather unique, elemental and enduring in the case of the BBC) managed to

eschew the wider trend towards modern professional management and therefore lasted a while longer than in most other organisations and industries. Nicholls' contribution to this story lies in exploring

how external circumstances, in particular the ideology of the capitalist State as articulated in government's political agenda, have influenced the Corporation and, at times and to certain degree, undermined Reith's management principles and the culture he sought to create and preserve.

Only when faced with a changing competitive environment and the erosion of its monopolistic position with the arrival of a rival television broadcaster did the long-lasting feature of the Reithian culture of "consensus" and distrust of employee representation start to fade away. Increasingly, the Corporation came under pressure to recognise and seek the co-operation of the unions for the purpose of regulating wages and competition for highly skilled labour in scarce supply.

British coal mining

Questioning the degree to which Taylorism or scientific management methods were utilised in the British coalmining industry in the early decades of the Twentieth Century is Stephanie Tailby's topic in Chapter 8.

In the opening paragraphs she sets the tone of what is to follow by describing the complex and varied conditions in mines and of mining work that put "particular constraints on any management attempt to exert control over labour through the detailed prescription of the task to be achieved by the worker" (p.156). This was primarily due to diverse geological conditions and "provisions of the mineral lease negotiated with the landowner" (of the coalfield where the coal company had its operations) (p.169) that conditioned the development of alternative production methods, including the technologies and machinery utilised in mining, organisation of work, systems of management and supervision and the

ensuing social relations and employment relations outcomes.

Tailby demonstrates, through detailed description of developments of production methods, technology and work practices, how 'longwall mining', a production method developed within the industry from the 1860s onwards, and the accompanying mechanisation, did create some tendencies towards a division of labour that involved somewhat greater specialisation of the work, work intensification and methods of closer managerial supervision. These were, however, uneven and inconsistent across the industry and had little to do with the principles of scientific management but are perhaps better regarded as features of "elaborate cost control systems" (p.168).

Modernisation of the mining industry was very slow in Britain compared with most other major coal producing countries, with less than 60 per cent of coal output mechanically produced towards the end of the 1930s. The industry remained fragmented with geological conditions, production methods and social relations highly diversified between coalfields and mining companies. Although these were not conducive conditions for developing unity among mining workers, they nonetheless united them around certain common interests such as demands for national collective wage bargaining, reduction of working hours and health and safety issues. Mine owners, on the other hand, united against their workers' demands defending their right to "exploit labour by the means 'dictated' locally" (p.171), in effect opposing harmonisation of employment relations practices within the industry.

Tailby's study is very rich in detail on the varied geological circumstances of the mining companies, production methods, management systems and social relations in

the mines. Exploring these details and explaining their impact on miners' work and the development of the industry before nationalisation in 1947, serves to highlight the formidable limitations to application of the Taylorist approach to management in British mining in this period and employers' urge to preserve local employment relations and management practices. From that point of view, this study is, in itself, a contribution to the school of scientific management (even if that contribution comes rather late in the day).

British automobile and aerospace industries

The final chapter of the book, co-written by Mike Richardson, Paul Stewart and Andy Danford, explores the decline of the postwar shop steward movement and the informal system of wage bargaining that existed at the workplace level up to the late 1970s.

This decline occurred in the context of increasingly adverse circumstances; tighter economic conditions with rising inflation and unemployment, accentuated by increasing exposure to international competition and managements' determination to win back authority lost in the high-growth period of the early postwar decades.

The shift from bargaining predominantly over piecework rates to negotiating pay for measured day work and the changes in labour-management relations it involved is investigated in the cases of the automobile and aerospace industries.

While the experience was broadly similar between the two industries, entailing decline of shop steward influence, greater mutuality, and eventually reassertion of managerial authority (especially in the car industry), certain structural differences were also observed. These related to, in particular, higher skill levels of the workforce in the

aerospace industry and very different market conditions, that impacted on the process and leading to somewhat different outcomes. Paying a rate for the piece (a specific job) was a past arrangement that had served employers well in the days of union weakness and slack economic circumstances, but in the postwar context of strong economic growth and strong union movement, shop stewards were provided with means to bargain much more efficiently.

An essential feature of that bargaining strength was an informal system of shop steward networks facilitating the sharing of information and comparison of pay between plants and firms. Although management has often been seen as the party most disadvantaged by the piecework bargaining system the authors point out that management (predominantly in the car

industry) was happy (or not) to play along as long as demand for vehicles remained buoyant. Moreover, as they also note, citing

Hyman and Elgar (1981), the continuous bargaining, frequent work stoppages and the level of workers' control over the labour process, all operated within limits acceptable by employers.

The transition towards measured day work inevitably involved decline in shop stewards' authority in the determination of wages but also greater involvement in deciding (with management) the level of work intensity (the pace of the work) under the new arrangement – the principle of 'mutuality'.

Towards the end of the 1970s even collaborative forums were seen by management as a too high a price to pay for orderly industrial relations. Under Michael Edwardes' chairmanship of British Leyland (1977-82) arrangement of workers' participation was terminated, half of the Corporation's workers were sacked, real

wages were cut and the pace of the work intensified. At that time globalisation had become managements most valued ally, with the TGWU accepting to set international levels of competition as "the benchmark for all future negotiations on pay, conditions and manning" (p.197).

Conclusion

This collection of studies is remarkably consistent in its theoretical approach given the diversity of subjects, analytical levels and periods covered. As said earlier, the three inter-related concepts of *job control*, *conflict* and *change* (all elemental to labour process theory) give a coherent analytical focus to each chapter and compose the themes that run through the book.

These themes are: managements' efforts to exert authority over the labour process in face of workers' determination to maintain individuality, independence and discretion; the structural and contradictory interests of capital and labour that at times are restrained by forms of co-operation and processes of orderly industrial relations and at times revealed by overt class struggle; and, change in and transformation of the means of control; management perspectives and methods, new technologies and work processes, and labour market organisation.

Central to all three themes is the underlying and embedded culture firmly grounded in, as Nicholls puts it: "commonly held belief within management circles, that ownership or control, bestowed absolute power to executive decision makers" (p.133).

This is the defining characteristic of the British industrial relations tradition as 'adversarial' – as opposed to 'co-operative' employment relations found in the Scandinavian social-democratic countries, Germany and the Rhineland economies.

The short-lived and ill-fated corporatist experiments of the Heath government in the early 1970s only served to confirm the

embeddedness of that tradition, prompting one embittered commentator to note:

"There is little point in trying to transplant the entire experience of others, with different traditions and cultures and more centralised and powerfully disciplined trade unions and employer organisations. We can only build painfully from what we already possess"

(Taylor, 1981: 157).

A comment that gives a perspective to the history and the many tales told in this hugely important and illuminating book.

References

Taylor, R. (1981). The need for an incomes policy, in R. E. J. Chater, A. Dean and R. F. Elliot (eds.), *Incomes policy*. Cambridge: Cambridge University Press.