

2. Local development and institutional change: Experience from a 'fifth generation' national programme for the democratization of working life

Abstract

This article deals with employees' participation in decision-making in their work roles. It briefly reviews four 'generations' of programs for developing participative democracy in Norwegian working life over the last three decades and uses this as a background for discussing the context and experience from the fifth and most recent program, SBA (Senter for Bedre Arbeidsliv-program), which was concluded in 1993. A main premise of the article is that nowadays participative forms of management and organizations are prerequisites for the development and utilization of human resources and hence for organizational competitiveness. The experience from SBA's involvement in leading, innovative enterprises supports this view. The challenge of SBA was to design and implement an efficient, participative strategy through which the utilization of limited resources would have the largest positive impact on the country's economy. Experience showed that this strategy was demanding, but worked well at the enterprise, regional and industrial sector level, but that time, resources and passiveness of the national stakeholders limited the national impact. However, SBA also shows that aspects of the industrial relations heritage that are linked to democratization efforts may represent a hindrance, and that future efforts need to be linked to industrial policies. Several spin-offs and follow ups of SBA have such linkages. SBA could, however, also signal the demise of industrial democracy and industrial relations as the point of departure for

increased participation in organizational decision-making.

Introduction¹

In Norway the first practical project to help promote the democratization of working life through research started in 1964 with collaboration between the Tavistock Institute of Human Relations and professor Einar Thorsrud, who at the same time created a new social science research institute at the Norwegian Technical University in Trondheim. (Thorsrud and Emery 1970; Emery and Thorsrud 1976). The socio-technical systems ideas, developed through Tavistock's coal mine studies, formed the basis (Trist and Bamforth 1951; Emery 1959; Emery and Trist 1969). In this *first generation* of programs two main innovations were introduced: 1) The Tavistock ideas about social and psychological consequences of work were linked to the upcoming debate about industrial democracy in Norway, and suggested an alternative to the traditional board level workers' representation model (Emery and Thorsrud, 1969). 2) The ideas about a 'better fit' between social and technical systems needed to be tried out in real life under the auspices, financing and joint support of the two dominant labour market organizations at the time.

Researchers and top managers agreed that if experience from local, plant level 'field experiments' was positive, the two dominant labour market organizations would be actively involved in the diffusion process across working life later. The criteria according to which the results should be evaluated were: increased direct participation and learning, local commitment to the new organizational solutions, and long term productivity development to remain within the average for the industry in question.

A main conclusion of the coal mine studies

¹ The article builds on published books, reports and articles related to the Work Research Institute through its 25 years' research in industrial democracy and participation, as well as on unpublished material from the author's own involvement as researcher and programme director at the institute during this period.

was that technology was very important for organizational design or organizational choice (Trist et al. 1963). When transferred to Norway it was therefore believed that it was necessary to demonstrate the feasibility of new and, from a humane point of view, better forms of organization of work (e.g. autonomous work groups instead of Tayloristic job design) in typical, and different industries. Other companies utilizing the same basic production technology could then learn from the 'experiments' and implement similar ideas. The legitimacy of and trust in the joint leadership of the programme would make it possible to get it started. The model for diffusion had been developed in studies of innovation in Australian sheep farming (Emery and Oeser, 1958).

In that period, four advanced manufacturing companies (a steel plant (Marek et al. 1964), a paper and pulp plant (Engelstad 1970), a small batch producer in the mechanical industry sector (Ødegaard, 1967; Qvale, 1969) and a chemical process plant (Gulowsen, 1967; Qvale, 1974a), joined the project. In practice the 'field experiments' were started sequentially over 3 years. The *methods* applied were modified from one stage to the next as the researchers learnt more. The *scope* of individual projects could also be expanded following increasing interest in the approach in industry.

The main lessons from these pioneering 'experiments' can be summarized as follows:

1. It was possible to create better jobs² through socio-technical redesign of existing industries. Commitment among the involved workers and supervisors also emerged as they gained experience in working under a 'new system'. (Emery and Thorsrud, 1976). The particular basic technology utilized in the individual plant was not the determining factor for the possibilities to improve. However, the special features of each plant, enterprise,

² The 'psychological criteria for job design' (Emery and Thorsrud, 1969) were used as guidelines in the first 'experiments'. The participating workers' own evaluation of and commitment to the new way of working, however, was the decisive factor in deciding whether jobs had indeed improved.

management and local union would call for differences in change strategy (Qvale, 1972, 1974a, 1974b, 1976). The experiments highlighted the systemic properties of the enterprises. Shop floor changes (e.g. from the scientific management model of organization of work to autonomous work groups) required several changes in administrative systems and functions (Qvale, 1971). In some of the companies, top management became interested and willing to endorse such changes, and a general transformation process in the company was started.

However, the understanding that redesigning the organization of work towards participative forms, such as autonomous work groups, and participation in the planning and implementation of change, could actually be seen as a constructive supplement or alternative to representative forms for participation in decision-making did not spread outside the involved enterprises (Qvale, 1978).

2. The productivity requirements, to stay within the general trend of the sector of industry, were *not* difficult to meet, rather the opposite (Gulowsen, 1975). The large productivity increases following the work redesign, however, tended to embarrass top and middle management and central union leadership, and counterstrategies prevailed. Or the local project became 'encapsulated', which meant that there was no diffusion to the rest of the enterprise (Herbst, 1976). Management often found the productivity increases and the new demands for further changes to sustain these increases difficult to deal with. The obtained productivity improvements were also often seen as a strong criticism of the ordinary way of managing, the use of 'scientific management' methods etc. Central union leaders were traditionally sceptical of productivity increases which they saw as expressions of a stronger exploitation of workers.
3. No diffusion took place along the technological dimension, i.e. within the same sector of industry during the 1960's. There

were a large number of local attempts to 'introduce autonomous work groups' in industry in the period 1968–74, but they generally failed. The main reason for this failure was the lack of 'system' in the approach. The diffusion that did occur, generally took place through networks of leaders and enterprises, and tended to go across industrial sectors, e.g. from the pulp mill to a hotel in the neighbourhood. Action researchers were invited to participate in most of these.

4. The expert domination in the first 'field experiment' was necessary in order to demonstrate something to the national stakeholders and researchers. For sustained, enterprise level development it was detrimental. (Thorsrud, 1972; Emery and Thorsrud, 1976). Therefore in the third and fourth 'field experiment' a shift in research strategy took place. Researchers concentrated their efforts on setting up enterprise level joint bodies for the planning of change, and helping these bodies with change concepts and methods. The focus, however, was still on socio-technical redesign, but emphasising action research and participative design rather than new organizational structures.
5. After several years of 'field experiments' it became clear to the researchers that promoting participatory industrial democracy was not only a fight against 'scientific management', it was a more general fight against the domination of the bureaucratic organizational paradigm (Thorsrud, 1972). Scientific management methods and techniques were only applications of basic bureaucratic principles of management (the individual and the single job as the basic building blocks, maximum job fragmentation, hierarchic control etc. (Emery, 1978)). It appeared that the main obstacles to change were not the workers, local unions and first line supervisors, but the higher level line-managers, union leaders and university educated staff-experts. These groups tended to feel a loss of control or to feel that their expertise was challenged or becoming obsolete or unneeded.

Some clearly felt that their belief system was being questioned, e.g. production engineers with expertise in time and motion studies. Unless there was top management commitment linking internal organizational change to the general strategy of the enterprise, there was not enough energy to work through such obstacles. (Qvale, 1995). It also became clear that the fact that the educational system was built on the same bureaucratic paradigm, created a large impediment to the development of new, participative, roles in working life (Herbst, 1971).

6. There had been considerable confusion among the stakeholders about the values implied and the purpose of promoting participative democracy in working life. Workers and managers who had personally been involved in projects, gradually learnt that it was not a question of creating a comfortable, placid work situation, but to take responsibility, to be active, to become involved even in difficult and sometimes unpleasant tasks, to learn and to work hard, and, to participate in continuous change. It was not a question of *replacing* management and leadership with participation or 'workers' control', but of managers and staff experts taking new, supportive, more demanding roles, to acquire new expertise, and to develop new enterprise strategies (Thorsrud, 1978). In practice, most projects that stagnated, did so because of lack of top management support and ability/willingness to sort out new strategies and make changes at middle management levels. Projects which developed and became company policy did so because top management saw participative organizational forms as necessary for the utilization of the company's human resources and hence its ability to compete on the market. There were few cases where the workers were in the way of the development. Provided that top management was consistent, trust developed and the workers' support and commitment followed. This support from the workers tended to be based on the belief that it was the 'right

thing to do', on feeling rewarded by doing a useful job and on seeing this as a way of securing their own future (Emery and Thorsrud, 1976; Qvale, 1974, 1976, 1994).

Such understanding, however, did not quickly spread through working life to policy makers who had no personal exposure to new ways of working. By them participative democracy was seen as being solely concerned with workers rights and welfare and perhaps with the psycho-social work environment. Thus in the 1970's parallel initiatives for board level representation, for representation in management committees and works' councils and in work environment committees were taken by the same stakeholder organizations as those promoting programs for direct participation (IDE 1981). The main problem, however, was that management in general tended to believe that in order to promote productivity and competitiveness methods were needed that were completely different from those involving the employees in new ways.

In view of this, the action researchers with a commitment to the democratization of work in the following decades chose to work simultaneously with both enterprises *and* their institutional environment (including education at different levels). So, *the second generation* of programs built on this *ecological approach* to organizational change (Trist, 1976, 1983). The basic assumption from 1964 (Thorsrud and Emery, 1970; Emery and Thorsrud, 1976), that the private sector industry would represent the most dynamic force in the transformation of organizations and institutions towards more participative forms, was upheld. Further, working with the leading enterprises within this segment was expected to have the largest general impact. The reasons for these assumptions were the following:

- Technological development, implying the automation of simple, repetitive tasks, and the development of information processing technology, was eroding the basis for scientific management. This trend was clearly visible in the process industry as it was exposed to international competition

as early as 1960, e.g. in oil refineries. In shipping, automatic control of the engine room was a fact in the early 1970's. Competitiveness in advanced shipping became closely related to the ability to utilize these new technological opportunities.

- The rising level of education in the working population and related expectations for autonomy in work ask in principle for the design of jobs and forms of organization of work which utilize employees' intellectual capacity. Commitment to work will not grow among highly educated employees unless their tasks are challenging and the organization in general is participative. However, the educational system had been developing in a way dissassociated from working life developments. National educational reforms were instituted with relatively short intervals, but seemed to fail in changing the basic way of working in the schools. There was a need for new methods to promote 'school reform' and hence obtain coordinated development across these sectors (Herbst, 1976).
- Public service agencies, educational institutions and other parts of the general infrastructure of industry were expected to be able to change in the same direction, only if they were partners in joint projects with innovative industrial enterprises in combination with a more general decentralization of the public sector. In the long term perspective the democratization of *work organizations and directly connected institutions* was expected to have a more general spill over effect on families and the political system. Thus a vision of participative democracy in society (Pateman, 1970) was the background.

The first of the second generation programmes was started in Norwegian shipping in 1967 (Roggema and Thorsrud, 1974; Walton, 1987). It involved simultaneous redesign of ships' superstructure (architecture) (Rogne, 1974), developing new types of integrated organization of work on board, redesigning educational system for sailors/officers, efforts to change the shipowners' central administration, new career

paths for sailors, and new legislation. The last factor was important because manning norms, working hours, education and training requirements, and certificates for seamen were controlled through laws.

A remarkable fact, which was often overlooked later (see e.g. Gustavsen, 1992), was that the diffusion of experience and change within this sector actually did follow the lines expected but not found in the first generation. Once one leading shipowner started participative redesign of ships and ship organization, the others tended to follow suit and to involve systematically larger parts of the ecology of shipping. Cultural differences between the sectors may be a first part of the explanation of this remarkable fact, the international orientation and flexibility of shipowners, their organizations and the sailors may be another part.

Later, research projects were started which were targeting changes in the management and organization of schools more directly (Blichfeldt, 1992; Herbst, 1976). Some only covered the students and teachers, others involved external stakeholders e.g. a set of enterprises interested in the quality of vocational or professional training for their future recruits or in further education of their employees.

The last in this second generation of programmes took place during the period 1978 – 88 in the emerging offshore oil industry. Ultimately this large effort, which was a part of a national technology programme, aimed at utilizing the ‘green field site’ design opportunities in this new sector (Qvale, 1985, 1990, 1993), in order to promote productivity, safety and new industrial policies in connection with this new national resource.

As indicated above, the labour market organizations themselves were expected to take the main responsibility for the ‘horizontal diffusion’ of experience from the first series of ‘field experiments.’ Parallel to the action research projects, which were linked to the more dynamic parts of industry and associated institutions, the labour market organizations, – notably, the workers’ trade union federation (LO) and its counterpart, the employers confederation (NHO) – were running a series of ‘horizontal diffusion of experience’ programmes and

systematically improving the efficiency of these programmes. These efforts constitute the third generation of democratization programmes. Joint training courses and seminars, job redesign workshops and information diffusion mechanisms were set up throughout the early 1970’s to disseminate the experience from the first ‘field experiments’ to the rest of industry. The efforts had some effect in several participating enterprises, but again the national significance seemed negligible at the time. The most successful attempt, the job design workshops, had a high ‘success rate’ among participating enterprises, but weakening central union commitment to the program, caused the NHO to be concerned about the risk for imbalance in the national industrial relations systems and to stop the program.

Several years later an extension of the main national collective agreement that was reached around 1980 (HABUT) was the start of the fourth generation. NHO accepted the trade unions’ demand for a formal basis for the participatory enterprise development efforts. The new provisions in the basic agreement were to take care of this demand. Joint planning and implementation of organizational change was encouraged, and financial resources for an enterprise level search conference, and for internal fellowships and some guidelines were provided centrally. The inherent value of participation was still the target. The local management/union representatives, however, had to rely mostly on their own ability and competence to make use of external resources. Only around 1990 was ‘productivity’ written into the agreement as an objective.

The effects of the new agreement on industrial relations have probably been positive, but until recently there were few cases of significant productivity increases. Participative democracy was kept within an industrial relations frame of reference by the national stakeholders, while locally, the concern for competitiveness and the securing of jobs became strong in the late 1980’s. This coincided with the outcome of a long planning process preparing for the fifth generation of democratization programmes.

In 1983 a national initiative to bring together the various stakeholders and experiences in a

new, comprehensive, national programme was taken. A broadly composed 'Royal Commission' on the further development of industrial democracy reported its recommendations in 1985 (NOU, 1985:1), and at the Einar Thorsrud Memorial Symposium in 1987 the Prime Minister announced the start of the new programme (Harlem Brundtland, 1989). In the following section, the context, strategy and some of the results of this program will be discussed.

The fifth generation; participative democracy in a new context

In principle the shift in Norway from seeing participation in decision-making as a part of the Human Relations Model to seeing it as a condition for competitiveness (the Human Resources Model) (Miles, 1965; Heller, 1992) took place through the work of the 'Royal Commission' on industrial democracy. There was oral and written consensus among the leaders of labour market organizations and the government that there was a strong need to change the work organizations towards participative forms, and to modernize their institutional context to become more open for direct cooperation across sectors and institutions in order to regain international competitiveness. Resources had to be mobilized in order to help the enterprises. Hence the new program needed to cover both the private and the public sectors and involve the white collar and academic union federations as well. A 'search conference' (Emery and Emery, 1976) within the commission itself, hearings with advanced enterprises and local unions, visits abroad, were methods used to develop this understanding within the commission and to outline the strategy of the program. Behind the consensus was a shared fear for mass unemployment from the late 1980's unless drastic changes took place. But undoubtedly, the formal support from some of the leaders on the employers' side, was based only on its role in keeping at bay demands for other, more threatening solutions to the industrial democracy issue.

As one would expect, agreement in principle at the top, was not a sufficient condition for

consistent and systematic support from the stakeholders at all levels and stages. It was, however, sufficient to obtain financing for 5 years and to establish well staffed governing bodies for the program which was to be linked to the new Work Life Centre (SBA)³. An international council for the program was also set up with the purpose of helping with planning and evaluation. A major challenge for the program was to involve the stakeholders to the degree that their support and commitment would be strengthened. It was understood from the start that 5 years would be too short to have a significant impact on a large number of enterprises not to mention on the country's international competitiveness. It was assumed, however, that after 5 years, the stakeholders would have a basis for joint decisions of how to follow up. If experiences were positive, the program would be continued under the auspices of the country's ordinary budgets and institutions.

SBA's strategy mainly built on experience with the multilevel ecological approach to organizational change, developed through the shipping and oil research programs. The idea was to work with relatively advanced enterprises in various sectors, and to establish direct cooperation between these enterprises and several institutions with a permanent role in the sector, so that these institutions could play a key role in the diffusion process later. At least, these (changed) institutions would facilitate the process of changing the internal organization for other enterprises later. SBA assumed it was mainly a question of speeding up a development process that was already on its way. In the mid-80's advanced enterprises were already in the process of leaving the traditional bureaucratic/tayloristic organizational paradigm, frequently assisted by management consultants. In this process SBA made its unique contribution in the area of institutional change and the

³ SBA; Senter for Bedre Arbeidsliv, was set up as a new independent foundation to be financed through a fixed, yearly contribution from the stakeholder organizations, and governed through a board of directors and a council. In the latter, all top leaders of all major national labour market organizations and the government were represented. From the start it was agreed that SBA should be disbanded after 5 years.

development of new, supportive, national policies. This is a field where neither individual enterprises nor management consultants seem to get involved, partly because they lack legitimacy. SBA had legitimacy from its stakeholders and the status as a national program. Also, working with advanced, powerful, enterprises was expected to increase chances of having impact on the enterprises' infrastructure ('the demanding customer').

SBA was not formally a research program, as opposed to the slightly older Swedish LOM-program (Gustavsen, 1992)⁴. For that reason the goal was not to test out one specific method or hypothesis, but to obtain widespread change in working life through strategic use of limited resources and with a certain value basis: Direct, broad participation to improve productivity and, hence, also secure employment. The increasing use of action research based institutes by SBA was in part motivated pragmatically: Action researchers were more familiar with participative methods of organizational development. In part, the involvement of researchers at universities was motivated from the need to open channels for diffusion of experience via education and setting up collaborative relationships between work and education.

SBA became involved in 516 enterprises (both in the private and public sector) through 98 projects. There were documented changes according to the set criteria in 133 of the enterprises by the end of the program in June 1993. 64% of the enterprises continued the ideas and methods introduced through cooperating with SBA. (SBA, 1993). The latter is probably the most significant indicator of positive results at the enterprise level. From the perspective of diffusion of experience, the fact that 19 projects

linked to permanent institutions were defined, financed, and continued after SBA stopped is probably most significant.

SBA was evaluated by a team consisting of four social scientists. Three of these were drawn from the international council, and four persons were nominated by the main stakeholder organizations. One of the key conclusions from the evaluation report may be quoted here:

'SBA in many senses marks the end of an era in which industrial relations policy has been the generative force in determining the imperatives for Norwegian working life. In the new era modernized industrial policy will be the major determinant shaping Norwegian working life as it will be in all advanced economies. The legacy of SBA is the distinctive contribution it has made to herald this change and develop a strategy that directly linked the micro environment of the workplace and the enterprise to industry policy which is being driven by the need to be internationally competitive. In the more turbulent worldwide economic environment there is a need to be able to compete on the basis of technology and capital inseparably linked to an intelligent, involved, committed, flexible, and informed workforce delivering productivity, quality, flexibility and continuous improvement. To do this many factors may apply including direct participation, wages and conditions tied to sustained increases in productivity, quality flexibility and smartness.' (Davies et al. 1993, p. ix).

Hence the evaluating team endorsed the basic assumption that increased direct participation was an economic necessity. They also agreed that the strategy and methods were basically well chosen, but pointed to the disparity between the ambitions of the program and the resources made available. They found there had not been very much diffusion of change beyond the focal organizations where the projects took place and indicated that this was mainly due to the lack of active support from SBA's stakeholder organizations. Especially the fact that the labour market organizations themselves had not incorporated learning from SBA in their own behavior, was seen as detrimental to diffusion. In practice these organizations treated SBA as an exercise in industrial relations.

⁴ LOM, which is the acronym for Ledelse, Organisation och Medbestammande (leadership, organization and co-determination) also had a 5 year duration and was terminated in 1990. Its purpose, support and resources were similar to those of SBA, but its approach was almost entirely process oriented (Naschold, 1992).

What did we learn through SBA?

Several of the other general assumptions about future developments upon which the program built, turned out to be fairly accurate. The economic situation of the country deteriorated, for the first time since the 1930's there was mass unemployment, demands for a strengthened board level and similar forms for representative democracy in working life had temporarily disappeared, dissatisfaction with quality and cost efficiency of public services had risen, and the leading, internationally oriented, competence based, enterprises had started adopting new organizational concepts which frequently imply enhanced direct participation (flat, lean organization, total quality management, time based management, just-in-time management, business process reengineering, matrix organization etc.). Although such concepts, with a socio-technical perspective in their focus on the core production process or value-added chain, can give good starting points, working through all other necessary changes in the whole enterprise organization was almost as demanding and time consuming as in the early democratization projects in the late 1960's. In spite of formal spoken and written support for the new ideas at top management and union levels, the concrete working out of new solutions and their acceptance have always been felt like an uphill struggle.

In practice SBA's projects proceeded as a combination of top-down, bottom-up and center-out processes with large conferences where all participated at critical stages. Once the fruitfulness of the strategy was demonstrated in a single enterprise, commitment to continue with this new methods tended to arise. The point that the new concepts are parts of a different organizational paradigm, and hence require a total systems change in order fully to succeed, has been amply demonstrated. The popular belief that the unionized workers would be the most important obstacle to changes in the work organization, did not find general support. The main problem in this generation of programs was, to overcome what could be named 'resistance to change' at the intermediate levels, – line management and staff

experts, – whose roles, tasks and competencies were no longer adequate or sometimes no longer necessary. The need to upgrade the competence of staff experts and their need to learn new work roles is almost limitless and can only be covered through more direct and continuous cooperation with the educational system. To deal with inertia or lack of ability to change at intermediate levels, top management understanding, support and willingness to use its power to enforce needed changes, is decisive. Although the use of 'search conferences' (Emery and Emery, 1976) and similar methods tends to bring forth the needs and direction for change, there is still a lack of top managers able to lead the change process. Their willingness and ability to do this therefore, has to be built up gradually. Therefore, the time needed to enforce such turnarounds becomes lengthy.

The need to change or develop the infrastructure of working life (at municipal, regional and national levels), which was one of SBA's explicit objectives, has also been amply demonstrated through SBA's interventions. There is e.g. little doubt that the work roles students learn during their long initial educational period are at odds with the realities of modern working life. Students learn to work individually in a hierarchical system with single discipline based, predefined problems which have a well defined solution. In a participative work organization they would often have to work with the definition and solution of problems in a multidisciplinary, cross functional team together with the 'clients'. Sometimes they would find that the problem needs to be redefined before it can be solved. New pedagogic ideas such as 'Problem Based Learning' used in direct cooperation with industry are being tried out through some of SBA's continuing projects and may provide some answers to this need.

An industrial structure largely composed of small enterprises, represents a challenge of its own. To have national significance, any program must be able to deal with groups of enterprises simultaneously. Furthermore, with the ambition of developing the enterprises' infrastructure in order to make new (public) resources available to them, common interests across enterprises should be identified and

promoted vis-a-vis the infrastructure. It is impossible for any municipal, county based or state agency to adjust or change the organization according to the specific wishes of anyone single, small enterprise.

Through SBA we also found that the individual enterprise, whether small or large, normally did not make their needs clear to the extent that any external body could adjust to them. The most common attitude in the enterprises was: 'It (the school, the county's or government's support programs for industry etc) is useless and it is impossible to change it'.

Normally national industry policy based programs were directed towards a specific *industrial sector* (steel, transport, electronics, food, paper/pulp etc). SBA also helped start several projects based on collaboration between union and employers in industrial sectors. A number of these are continuing and show interesting developments. It may still be argued that industrial sector as an organizing principle is of diminishing importance. Both from economic and organization theory perspectives other principles for organizing probably are more central. Methods for the development of *regional networks of enterprises* may be the most important innovation in the SBA program. These networks cross industrial sector and traditional center/district distinctions which dominate industry policies and industrial relations. They have showed their potential for helping the individual enterprise with new resources and flexibility. In the more advanced networks the members are identifying specific common interests which they can communicate to their external environment. Thus they can affect institutions and regional and national policies.

The largest network in which SBA was involved links more than 70 enterprises, some of which are large and internationally competitive. In another SBA-project an old integrated enterprise was divided into a set of independent enterprises working together through a network.

Existing industrial networks have been studied quite extensively, while there is less knowledge about the conditions and methods for network development. There are assumptions

about the interrelationships between the internal structure of the individual network participant, stages or phases of development etc. and its ability to benefit it, but this is still a new field of research (Hanssen-Bauer and Borgen, 1992; Hanssen-Bauer and Snow, 1994). For instance, we assume that, in order to participate in a mature network, all employees of the individual enterprise have to share, to some degree, an understanding of what this implies. Such common understanding is unlikely to develop unless *all* employees are involved in the change process, i.e. participative strategies are required for this reason as well. SBA's experience from working with the creation of four networks supports this notion.

In the public sector (municipal agencies, government services, railway, post, road-building, tax office, hospitals etc) the driving forces were the need to provide better quality customer service, and the need to improve the working environment and productivity within shrinking budgets. Several organizations have been, and still are, under the threat of privatization and want to demonstrate that a 'bottom-up'-customer-oriented strategy is a better alternative. Strategies and results are similar to those in the private sector.

The limiting factors for SBA's penetration in worklife became time, and the availability of competent consultants/action researchers who could assist in the processes. Therefore, during the last two years of SBA's period more emphasis was placed on initiating and supporting more long term R/D projects in cooperation between working life and universities. As mentioned there are approximately 20 of such projects. The largest will be 'Bedriftsutvikling 2000' (Gustavsen and Mikkelsen, 1994)⁵ and may represent the *sixth generation* in the series. It has been planned to be a 7 year program initiated by the two largest labour market organizations in Norway, the national science foundation and SBA. Hence, it will represent a 'merger' of the two lines of development originating in the first 'field experiments'; the action research and the industrial-relations line. A number of SBA's

⁵ Bedriftsutvikling 2000 (BU 2000) in English: Enterprise Development 2000.

projects and programs may find further support through this initiative, but the majority of the participating enterprises are expected to build on the collective agreement about 'enterprise development'. The Norwegian universities are all expected to participate in the programme and provide professional support.

The exclusion of the public sector and the other union federations (the white collar staff association and the confederation for academic workers) from the new program may, however, limit its scope and resources, and shows that the broad alliance created for SBA has not survived. 'BU 2000's' vulnerability to industrial action and conflicts will therefore probably be higher than in the case of SBA.

In some respects, however, the new initiative represents a considerable expansion both in scope and resources as compared with SBA, or indeed any predecessor in this field. The expansion is only possible because the understanding that participation in decision-making is an economic necessity, is slowly penetrating at national policy making levels. However, if broad, direct participation becomes established as a common element in organizational development and as a basic principle for organizational design, it will also become redundant as an issue in itself. This is a concern the trade unions who feel something is disappearing and seem to find it hard to reconceptualize the issue and develop new policies.

Concluding comments

In a Lewinian tradition, change is necessary in order to understand a social system. The real structures are revealed through change. If we see as SBA as an intervention at different levels in Norwegian working life, we can draw a number of conclusions about the relevance of SBA for the understanding of organizational decision-making under different economic and political conditions.

SBA's basic values – increasing participation in decision-making in connection with own job – is commonly accepted. At this level Taylor's, or the general bureaucratic principles of maximum task fragmentation, external control etc.

are dead. The preconditions for, and consequences of, abolishing these principles, however, are less well understood and accepted. Although ideas about 'empowerment', motivation, total quality management, just-in-time management, technological innovation, service development, customer orientation etc, are quickly spreading and give ample opportunities for riding 'piggy back', their opportunities for triggering more profound changes are not often utilized in practice. Most enterprises still try to install such ideas without changing the hierarchy, work organization, administrative systems etc. There is fear of loss of control, infringement on managerial prerogatives and certainly a fair amount of personal insecurity and fear among managers and staff experts. 'One step at a time' seems safer than a comprehensive and committing strategy for systematic change. Hence, the potential for productivity increases inherent to the new ideas is not being fully utilized.

Although SBA (and other projects in other countries) demonstrated that the more *radical* (in terms of the degree to which all employees are involved and the scope of the participation) and *systematic* the participation is, the more successful the project is from a business point of view, managers and owners initially tend not to believe this. In advanced, innovative organizations which depend on the utilization of highly competent employees, for example engineering companies, such understanding is emerging and is enforced by management, sometimes opposed by employees who feel their individual autonomy is being reduced (Qvale and Hanssen-Bauer, 1990; Qvale 1993).

There is little doubt that SBA's relatively large success (compared with earlier programs of the same kind) in reaching many enterprises and promoting far reaching changes in these, is largely due to economic pressure and political shifts, i.e. contextual changes. Interest among workers and managers in further participation in decision-making in working life is declining unless participation contributes to productivity. On the other hand, once the link between participative methods and productivity has been established, the need for democratization as legitimation goes down.

The methods used in SBA reflected the experiences from earlier generations of action research programs. Rather than encouraging the introduction of specific solutions (e.g. autonomous work groups), methods for participative planning and strategy development were used. Emphasis was placed on helping the client organizations to manage the change themselves and to take over the functions of the external consultant/researcher as soon as possible.

Also, in Norway there is a trend towards liberalization. Frequently it is supported by the social-democratic government. Its emergence is, to a large extent, due to the failure of national policies/programs and institutions to provide good services at an acceptable price. Although privatization has been limited so far, there are clear signs there will be more of it unless public enterprises and institutions change. Finding alternative strategies to the crude and frequently unsuccessful privatization is a burning issue for unions, employees and many citizens.

In public services, involving the clients/customers in interaction with 'empowered' employees, is a method for developing new policies, linking the micro and macro levels; learning from the customer and converting these experience into new policies. SBA's assumption, however, that the labour market organizations could take active roles in promoting such processes, seemed somewhat optimistic. So far it seems that the changes needed in these organizations to enable them to maintain their central roles in the future, are beyond what can be achieved in 5 years. In the future one might expect that further diffusion of methods for democratization of decision-making in organizations will follow from implementation of new technology and intertwined organizational concepts, or from general organizational development/productivity drives, rather than from specific democratization programs. If this indeed will be the future, 'horizontal diffusion' of new practices across working life may quickly erode the basis for central union and employer federation power.

The recently started joint program; 'Enter-

prise Development 2000', is a clear sign of a certain reorientation among leaders of the labour market organizations, and it may be the last test of the fruitfulness of a national labour/management program for action research in the field. One weakness of the program, however, is that it fails to involve the core activity of the labour market organizations, the bargaining and designing of collective agreements. Also this program may find that diffusion of change will have to take place without the active involvement of the stakeholders' main functions. It may be argued that the inertia of these large, central organizations is such that they can hardly profit from 30 years of quite systematic sponsorship of participative working life research and development. While the development towards flexible, participative forms at the enterprise and regional levels is accelerating, the central labour market organizations in Norway seem unchanged. A recent study even seems to indicate that sister-organizations in other European countries may have come further in the process of developing new policies and actions (Kester and Pinaud, 1994). Action researchers, who want to promote participative democracy in Norway, and who believe trade unions are important safeguards for democracy, may therefore be facing formidable challenges.

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