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A Flexible Future?

Prospects for Employment and Organization

Editors

Paul Blyton and Jonathan Morris



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Preface

The contributions to this volume arise from a conference held at Cardiff Business School in September 1989. The issue of flexibility has gained considerable prominence in recent years. Yet, while applied variously to changes in technologies, work contracts, patterns of labour use, and relations between buyers and suppliers, the notion of flexibility has suffered from a dearth of empirical and conceptual clarification. The aim of this collection is therefore to contribute to a greater understanding of different forms of flexibility, their consequences for the parties involved, and the wider implications for patterns of employment and organization. By bringing together both conceptual and empirically-based papers, and drawing on evidence from Western Europe and North America as well as the U.K., the collection seeks to expand our understanding of changes taking place at local, industry and national levels and their wider significance not only for the different actors in the workplace but also for those of us teaching and researching in the organizational and employment fields.

We would like to acknowledge our thanks to those who participated in the 1989 conference, and to the contributors to this volume who cooperated with our deadlines for revising their chapters. Warm thanks are also due to Louise Jones both for her efforts in the organization of the conference and in her subsequent work on this volume.

Paul Blyton
Jonathan Morris

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Chapter 1

A Flexible Future: Aspects of the Flexibility Debates and Some Unresolved Issues

Paul Blyton and Jonathan Morris

1.1 Introduction

Over the past decade, the study of work and employment has been dominated by the issue of flexibility. Debates taking place at many levels, over work practices, production strategies, employment patterns, the workings of labour markets and even the future trajectory of capitalism have utilised the notion of flexibility to summarise a wide range of changes. Hence, developments as diverse as the growth in part-time employment; changes in relations between manufacturers and suppliers; changing industrial relations practices regarding contracts and pay determination; the application of new technologies; the removal of statutory regulations governing the labour market; the use of legislation to reduce trade union powers; the changing structure of large organizations; and the development of new forms of regional economic organization: all have been discussed in terms of a search for greater flexibility.

At one level, this common denominator of flexibility has proved highly stimulating. It has brought together commentators and analysts from a variety of backgrounds and, in theory at least, has assisted in the appreciation of the breadth of changes taking place, the possible links between them and the different levels of analysis which may be employed to interpret those changes. Any improvement in communication across the demarcation lines which academic disciplines and sub-disciplines impose on reality is welcome. Moreover, the breadth of discussion on flexibility has gone far beyond narrow academic confines and become a key term in managerial, union and government vocabularies (Hakim 1990: 158).

Such prolific use of any concept also creates a number of problems. With flexibility this has been exacerbated by its application not only to a wide

range of practices but also in a variety of debates and levels of analysis, ranging from the individual work group to the overall nature of capitalism. The central problem with the concept, however, does not reside in its basic definition. At its simplest, flexibility means adaptability or 'a responsiveness to pressure', (Standing 1986: 59) and is generally represented as the opposite of rigidity. The different levels of analysis to which flexibility has been applied indicates an interest in different forms and levels of adaptability: how managers improve the adaptability of their workforces; how labour markets adapt (and can be adapted) to meet new demand conditions; how capitalism adapts in response to changing technological possibilities and changes in patterns of consumption.

The difficulty with flexibility does not lie in its simple abstract meaning but rather in the way it has been employed as a *summary* concept for a wide range of developments, the assumptions made about the *homogeneity* of the nature, pace, causes and consistency of those developments, and the tendency for it to be discussed as a *unitary* concept embodying no essential conflicts of interest, for example between capital and labour. As we noted above, the range of developments which different writers have placed under the flexibility umbrella is enormous. Nowhere is this more apparent than in discussions about changes in work patterns and practices within individual work organizations. The broadening of job and skill boundaries, the adoption of new technologies, the use of part-time and temporary workers, changes in working time arrangements and payment systems, and the use of outside contractors are all discussed under the concept of the flexible firm. The danger of this of course is that conclusions are jumped to regarding, for example, the extent to which these aspects are changing in a uniform way, the factors influencing their use, their relative significance within organizations, and even the extent to which they embody greater flexibility (we return to the flexible firm model below).

It is evident from a reading of the literature (including the contributions to the present volume) and from our own recent research experiences (e.g. Blyton 1988, 1990a; Blyton et al. 1989; Morris 1988; Morris and Imrie 1991) that there *have* been significant changes made in recent years in a large number of work organizations in areas such as working practices, patterns of employment, the organization of production, the use of outside contractors, the nature of reward systems, industrial relations arrangements, and relations with suppliers and customers. While many, if not most of these changes, were evident before the 1980s, the recession in the early Eighties, coupled with other factors such as a growth in competition and a widespread weakening of union power, has apparently led to an increased *pace* of change in many of these factors. It is true that in many cases these changes have fallen well short of the 'ideals' of flexibility as expounded in the management literature (e.g. there is much less evidence of 'multi-skilling' than limited reductions in craft demarcations and a broadening of

non-craft job boundaries; see Cross 1988). As Tomaney (1990) has pointed out, managerial efforts have been directed less at radical change and more towards limited reforms of existing systems to secure lower labour costs and increased productivity. It is evident, nevertheless, that many changes have been initiated in this area of working practices and generally have been directed at increasing the flexibility of labour deployment in order to produce more efficient working, measured in such terms as lower manning levels, greater machine utilization, and fewer interruptions and bottlenecks in production.

Thus we do not view flexibility as an academic 'straw man' borne up only by its own fashionableness. However, we readily agree that to date much discussion on flexibility has been suffused with too great a generalization about the nature and causes of changes taking place, an inadequate appreciation of the continuities also present, an under-emphasis on the conflicts of interest which flexibility potentially represents, reflected not least in the different meanings which management and workforce attribute to more flexible working, and the ability of workers to modify (and nullify) managerial efforts to increase flexibility. Much of the managerial discussion on flexibility would also seem to overrepresent the benefits of flexibility and ignore both its possible dysfunctions and the potential contradictions between different flexibility strategies. This prescriptiveness partly results from the tendency to juxtapose flexibility with rigidity, and attributing positive connotations of 'adaptability', 'dynamism' and 'responsiveness' to the former and 'fixed attitudes', 'inertia' and an 'inability to consider alternatives' to the latter (Boyer 1988: 221). Yet, as Standing (1986) points out, employment security and organizational stability can also have positive connotations which potentially are lost where high levels of flexibility are sought.

The present collection is in part an attempt to respond to some of the lacunae in the flexibility debate, particularly the need to move away from oversimplifications of the patterns, causes and implications of change. This is not simply a desire to demonstrate that organizational and interorganizational reality is far more complex, fragmentary, heterogeneous, uneven and contradictory than much of the flexibility literature would suggest (though as these studies further underline, reality is indeed all of these). The more salient point here, however, is that by analyzing this greater complexity, it is possible to identify more clearly the constraints under which flexibility develops, and the conditions under which it is seen as a critical *means* to different organizational ends.

If the inadequate portrayal of the unevenness of change has been one feature of the flexibility debates, another has been a tendency to jump between the different levels of analysis which have adopted the flexibility concept, or alternatively to focus on one level without giving due attention to its links with others. Before giving an overview of the rest of the book

therefore, it is worthwhile to review very briefly the range of developments which have been identified as embodying aspects of flexibility, and note the theoretical frameworks which have been employed to interpret these developments.

1.2 Flexibility: The Theoretical Debates

A single and coherent theoretical framework for the notion of flexibility has remained elusive. Developing the argument of Cooke et al. (1989), they suggest that there are five broad trends in industrial re-organization which encompass flexibility:

- i) organizations which were previously characterized by vertically integrated structures are tending to contract out to the market for an increasing proportion of inputs.
- ii) many companies are seeking to expand market share in international markets and to seek forms of corporate partnership outside the domestic sphere through joint ventures, mergers and acquisitions.
- iii) a growing tendency to invest in 'flexible automation' including computer-aided design (CAD), flexible manufacturing systems (FMS), and advanced manufacturing technology, such as robots and computer numerically controlled (CNC) machines.
- iv) a new appreciation of the importance of quality, customer satisfaction and adapting to changes in customer requirements. Total quality control and just-in-time production are two means of achieving these.
- v) a widespread tendency for organizations to reduce the proportion of semi- and unskilled workers compared to professionals, and an increasing use of part-time or short-term contract workers. Both skilled and unskilled workers are being required to take on a broader range of tasks.

While not solely reflecting flexibility issues, nevertheless flexibility is a key aspect within these trends. In seeking to explain these developments, three major theoretical perspectives are evident: 'regulation theory', the 'flexible specialization' thesis and the 'flexible firm' model.

1.2.1 Regulation Theory

Regulation theory emerged in France in the 1970s and was considerably refined during the 1980s (Aglietta 1979; Boyer 1987; Lipietz 1986). Essen-

tially it represents a macro-economic theory primarily concerned with the long term development of capitalist societies. Advocates of regulation theory periodize capitalist development around a long run perspective, with a focus on production as the driving force of industrial organization. Regulation theory offers a number of useful insights into the relationship between political and economic spheres, and between local and national contexts. However, for the present discussion, a crucial argument within regulation theory is the inability of any single regime of accumulation to sustain itself in the long term, and the inevitability of a transformation to new modes of regulation and governance (Morris and Imrie 1991).

Regulation theory proposes that a period of economic history, dating from the early twentieth century up to the 1970s, was dominated by a regime of accumulation generally termed Fordism (Lipietz 1986). This regime was based on product standardization, economies of scale, and integrated assembly line production. The system became closely associated with scientific management, or Taylorism, involving the fragmentation of work tasks, a high division of labour, and the separation of mental and manual work. While Fordism led to real gains in productivity and a transformation to mass consumption, as workers' wages led to their incorporation into a new 'consuming class' (Meegan 1988), the argument of the Regulation school (and as we shall see, one that is shared by other perspectives) is that by the 1970s the Fordist system of accumulation was breaking down, manifested in escalating production costs, stagnating labour productivity and at the macro-economic level, stagflation.

This crisis of production has been associated with several changes in work design and employment. These changes have led particular writers in the Regulation school to argue that a new regime of accumulation has been established, termed 'flexible' accumulation (Lipietz 1986). While some commentators have termed this 'post-Fordism', suggesting that production organization has been *fundamentally* altered, others, including Wood (1988; 1989) and Mahon (1987) have argued that a better description would be 'neo-Fordism', a perspective which considers the possibility of transformations *within* Fordism and Taylorism. In practice, elements of both post-Fordism and neo-Fordism may be present in different contexts. For example, Tom Clarke's study of Volvo's Uddevalla plant discussed in this volume may be described as post-Fordist, while that of Nissan in the U.K. might be better described as neo-Fordist in terms of its production organization (Dohse et al. 1985; Oliver and Wilkinson 1988; Wood 1988). Aglietta (1979) argues that neo-Fordism offers a solution to the contradictions of Fordism by diversifying product ranges and generating a new flexibility via the introduction of more flexible forms of mass production, including the ability for firms to produce in short and medium batch sizes.

Overall, regulation theory provides a useful analytic framework for interpreting broad macro-level changes. At the more micro level of firm or organization, it becomes more problematic, less cogent and therefore less useful.

1.2.2 Flexible Specialization

The 'flexible specialization' (FS) thesis shares a number of similarities with regulation theory in its interpretation of change in industrial organization. The central focus of FS is the changing relationships between firms, and it locates these within a perspective of a new phase of capitalist development dependent on a new range of skills, craftwork and high technology manufacturing systems. Though popularised by two U.S.-based writers, Piore and Sabel (1984), much of the basis for this thesis is drawn from the work of Italian writers seeking to explain the 'industrial districts' phenomenon of the so-called 'Third Italy' (see for example, Brusco 1983; 1986; also Russo 1983).

At the centre of the FS thesis is the argument that a more fragmented pattern of consumer demand is emerging with design and quality, rather than price, the crucial determinants of consumption and therefore production. The new economic leaders become those firms able to respond quickly to market niches and rapid changes in market demand. As a result a new form of craft production emerges, predicated by new flexible automation. Thus, FS postulates the break up of standardized mass production, and by extension the end of the economic dominance of multinationals. The development of economies of scope, industrial de-concentration and the emergence of regional economies built around a network of flexible firms, are all predicted in the FS model.

The flexible specialization thesis has gained widespread support from both left and right in the political spectrum. Pollert (1988) notes that an implication of FS is an acceptance of enterprise capitalism, entrepreneurship and deregulation as the basis for economic revival. Similarly, parts of the Left have also seen in the FS model a justification and rationale for local economic initiatives. However, Murray's (1988) research on decentralized production in the 'Third Italy' illustrates that racial, gender, age and skill divisions are integral to the success of flexible specialization.

Several useful critiques of FS have been written (for example, Amin and Robins 1990; Pollert 1988; Sayer 1989; Rainnie in this volume). One of the best of these critiques, however, is that by Williams et al. (1987) who take issue with the extent to which mass production is actually breaking down; the production of consumer electronics and even cars is used in this counter argument. This point is echoed by Pollert (1988) and also by Womak et al.

(1990) who argue that while a new form of production (what they term 'lean production') is being introduced into car assembly, this has important affinities with mass production and is certainly not craft production. Moreover as Williams et al. argue (and Rainnie develops below), mass production has generally only been utilized for complex consumer products, and not for other large areas of industrial production. Williams and his colleagues also criticize the FS advocates such as Piore and Sabel for not clearly defining what constitutes 'mass' and 'craft' production. They also take issue with the characterization of regions as being dominated by either mass or craft production; in practice, as Williams et al. point out, the two exist side by side within single regions.

1.2.3 The Flexible Firm

While Regulation theory and flexible specialization have focused on society-wide changes, as its title suggests, the flexible firm model has addressed changes occurring at the level of the individual organization. This model, particularly associated with Atkinson (1984; Atkinson and Meager 1986; Institute of Manpower Studies 1986), identifies a replacement of homogeneous employment patterns, standardized contracts, uniform payment systems and traditional labour deployment practices with more varied and flexible arrangements. Technical change, product market uncertainty and a search for lower labour costs are seen to be driving this search for greater workforce flexibility. Many organizations, Atkinson argues, are introducing new ways of utilizing labour in an attempt to match more closely the types and amounts of labour available with the volume and nature of work demand. Atkinson's ideal type organization is characterized as being comprised of a 'core' of highly trained workers, supported by a complex 'periphery' of temporary, part-time and low-skilled workers. While increased 'functional' flexibility is sought from the core workforce, increased numerical flexibility is located in the peripheral workforce (see also Hakim 1990: 164).

In brief, task or functional flexibility concerns the versatility of employees to work within and between jobs. This can involve either vertical integration of tasks (undertaking tasks formerly carried out by other workers at higher levels) or horizontal integration (tasks formerly undertaken by other workers at a similar level). Numerical flexibility is the ability to vary the amount of labour at short notice; this is achieved for example by the use of temporary and short-term contract workers. Linked to this is what some (e.g. Morris and Imrie 1991) term 'distancing' whereby firms use subcontracting partly as a means of responding to fluctuations in demand (Holmes 1986; Imrie 1986). Temporal flexibility is also linked to numerical flexibility, but specifically concerns modifying working time patterns to

more closely reflect patterns of work pressure. Shiftworking and overtime have traditionally been used in this way, but as various contributors to this volume argue, this area of flexibility has received growing attention in a number of industries and countries in recent years (see also Blyton 1989; 1990 b). Finally, financial flexibility concerns the move away from single payment systems, towards more varied, variable and individualized systems, which seek among other things a closer relationship between reward and individual contribution to output, through elements such as performance related pay, profit sharing, and fee-for-service payments. In several countries during the 1980s — and most evidently in the U.K. — the state has acted to assist financial and numerical flexibility by reducing the statutory machinery influencing the labour market and other 'obstacles' (such as trade union power) identified as impeding the effective functioning of labour markets and the determination of pay levels (Standing 1986; Blanpain 1990).

There are a number of unresolved conceptual and empirical issues concerning this model. There is insufficient space here to explore these fully, but they include first, a criticism that a number of the central ideas are not new: the segmentation between core and periphery for example, and the extent to which employers have pursued flexibility (though not necessarily using that term) through practices such as shift, overtime and short-time working, productivity agreements, and the hiring of temporary workers (Casey 1988; Jones 1988; Pollert 1988; Wilkinson 1981). In a recent discussion of this, however, Hakim (1990: 157) argues that while employers' search for flexibility is not new, the *pace* of change does make the present developments different from the past.

A second difficulty with the flexible firm model concerns the defining of 'core' and 'periphery' workers. A number of the contributors to the present volume take issue with the extent to which 'flexible' groups such as subcontractors and part-time workers are indeed peripheral to the main organization (see for example Malloch and Walsh in this volume). Other conceptual problems include the legitimacy of including some aspects of employment within the flexible firm model at all (e. g. part-time workers), the extent to which labour flexibility is represented as the key response to market instability, and the degree to which the model assumes homogeneity in the ways that organizations are developing their production strategies and methods of labour deployment. Again, many of the contributions to the current volume have contrary evidence to this. Finally, the prescriptiveness of the flexible firm model may be regarded as having hindered its analytic development.

If a number of theoretical issues surrounding the flexible firm model remain unresolved, the same is true of the empirical evidence. Atkinson's own data has been brought into question as being based on too small and atypical a sample of organizations (MacInnes 1987; Pollert 1988). Further,

while some surveys and analyses reveal a widespread use of flexible workers (e.g. Hakim 1987; ACAS 1988) and a growing use of subcontracting (Marginson et al. 1988; Morris 1988), others identify only limited moves towards greater flexibility, particularly in such areas as multiskilling (Cross 1988; Labour Research Department 1986), and no clear trends in the size of the temporary workforce (Casey 1988). Part of the problem in assessing flexibility is that it is multi-faceted and multi-causal. It is also evident that changes are occurring unevenly from one organization and industry to another and one country to another. Indeed some of the changes occurring directly contradict the flexible firm model (see Ursell in this volume). While the flexible firm model may be appropriate for some parts of consumer electronic production and some workgroups, it is much less so for others such as the chemical industry (Marchington and Parker 1990) and professional medical personnel (Dastmalchian in this volume).

A further problem is that many of the changes under examination (e.g. changes in working practices) take place informally, and are therefore not easily picked up by large scale and general surveys, or even by analysis of formal flexibility agreements (such as by Marsden and Thompson 1990). A number of writers have commented on the need for greater empirical studies of flexibility. What is needed in particular are more case studies of individual organizations and industries to examine trends in different contexts, the underlying causes of changes taking place and the extent to which the changes are unified or fragmented, and short or longer term. In this way, a clearer picture can be assembled of the reasons for and extent to which labour flexibility is being pursued, the main elements of that flexibility, and its wider implications for both management and labour. With a majority of the contributions drawing directly on empirical studies, the present volume is an attempt to contribute to this process of learning.

1.3 The Structure of the Book

Many of the contributors of subsequent chapters focus on specific companies, industries and countries in their analyses of changes and continuities in patterns of work, employment and inter-organization linkages. However, it is important to locate empirical results within wider frameworks of analysis. To a degree the authors of those chapters undertake this task, identifying for example the inadequacy of current 'flexible firm' models for handling the multivariate nature of changes taking place. Space within individual chapters is necessarily limited, however, so to supplement these,

Chapters Two and Three attempt in different ways to contextualize the issue of flexibility within broader analyses of social and organizational change. This change is diverse and ranges from changes in employment practices, management 'styles', and the use of more versatile technologies, to decisions concerning plant location, organizational structure, markets and products, and to broad national policy questions such as the role of the state within labour markets.

For Mike Reed in Chapter Two, the issues and questions are even broader: is the nature of organizational society fundamentally altering? Does the restructuring implicit in flexibility and flexible specialization, coupled with changes to control systems, occupational structures and social attitudes and behaviour, together constitute a marked break with previous trends, requiring a shift in perceptions of how capitalism will develop? A key question within this is whether changes in markets and technologies are undermining previous rationalities within capitalism (e. g. standardized mass production), sending capitalist development off on a different trajectory to the Weberian view of capitalism characterized by increasing scale, rationalization and bureaucratization.

In pursuing this analysis, Reed considers three perspectives: 'Post-Fordism', 'Disorganized Capitalism' and 'Post-Modernism', highlighting the ways in which these represent different characterizations of a shift away from 'organized' capitalism, that is capitalism based on large-scale, highly centralized, rational and bureaucratic enterprise. The significance of current developments and arguments for the overall development of capitalism remains problematic according to Reed. Much of the writing in the different fields is judged theoretically incoherent and empirically unresolved, thus maintaining the field's status as a 'theme in search of a theory'. However, Reed concludes that whatever the current shortcomings in analysis, the debate has raised important questions about the future of capitalism, and highlighted the dangers of taking the path of development as given.

Towards the end of Chapter Two, Reed notes the recent contribution of Regulation Theory to the analysis of contemporary industrial society (see also, above). For Al Rainnie too, the arguments of Aglietta (1979) and the French Regulation School offer a useful starting point for examining the validity of assumptions underpinning the flexible specialization (FS) thesis, and for evaluating the relative merits of arguments offering a post-Fordist or neo-Fordist diagnosis. Rainnie argues that in the post-Fordist debate, the past tends to be overly characterized as Fordist, based on assembly lines and standardized mass production. However, as he notes, in Britain in the 1980s, only 12% of manufacturing employees and 3% of the total labour force were directly engaged in assembly work. For the majority, the work regime has never been Fordist in character.

Other criticisms of the FS thesis as it has developed so far include a general lack of evidence that mass markets have disappeared or become saturated. In addition, Rainnie comments on the unevenness and *diversity* of developments within industrial organizations, a diversity which is lost in over-arching concepts such as FS. The advocates of the FS thesis are also judged to have ignored ways in which class relations are becoming more exploitative: for Rainnie, too little emphasis has been placed on class conflict and too much on the renewal of craft traditions within the FS model. In sum, the FS notion is held to contain many inconsistencies and points on which a closer examination of specific contexts reveals either that the developments are not occurring in ways predicted or that the process of development is far more diverse than the FS thesis suggests.

One of Rainnie's pleas is for greater empirical assessment of flexibility at both macro and micro levels. Many of the subsequent chapters offer new findings concerning the development (and lack of development) of flexibility, both within organizations and in inter-organization relationships. In the first of these studies, Peter Sloane and Anne Gasteen explore in Chapter Four the factors determining the use of part-time and temporary contracts, or what they term 'primary flexibility'. These they contrast with flexible working practices or 'secondary flexibility', such as the use of overtime or shiftwork. The argument here is that lengthier and more predictable fluctuations in demand will engender primary flexibility responses, whereas unpredictable and short-term fluctuations will tend to bring forth secondary flexibility responses. Using data drawn from six local labour markets in the U.K., Sloane and Gasteen conclude that while some relationship exists between the degree of predictability of demand fluctuation and temporary employment, no similar model of demand dependent flexibility is appropriate for part-time working. This is consistent with the argument in a later chapter by Walsh, who maintains that much part-time working is poorly conceptualized within the flexibility debates, and that its growth has been multi-causal and due to both demand and supply-side factors.

Chapters Five and Six draw on the Swedish experience, one analysing the results of several case studies, the other focussing on a single case within automobile manufacture. In the first of these, Hans Glimell also spends some time considering the relevance of the French Regulation School for the flexibility debate, and particularly the value of acknowledging the macro-level links between political and economic forces, and between local and national contexts. This appreciation of societal-level factors adds further breadth to those arguments which have viewed the sources of flexibility and restructuring solely or primarily in technological and/or market changes. Glimell traces a number of these broader influences through a consideration of restructuring in Sweden. Swedish organizations have

demonstrated a wide range of changes in recent years. Many of these revolve around cost-cutting attempts via reductions in throughput times and inventories. In other cases, minor changes in job design are the norm. However, there are also examples of the introduction of flexibility and moves towards multiskilling. Labour shortages are identified as one particular encouragement to flexibility in Sweden, with greater training and broader tasks seen as ways of reducing demand for additional recruitment.

Glimell concludes that in seeking to appreciate the broader implications of greater flexibility, it is important not to restrict analyses to the level of the enterprise but to analyse the wider social and political context in which that flexibility is developing. Not least here is the question of the broader labour policies being pursued or the extent to which a corporatist context exists. This question of policy is one that is picked up again in the final chapter.

In Chapter Six, Tom Clarke describes the pattern of production organization at Volvo's new plant at Uddevalla in Sweden, a plant which has sought to combine flexible automation with rewarding work. The latter is achieved partly by moving away from a system of workers being tied to assembly lines and machine pacing. In this plant, small teams of functionally flexible workers build complete cars; instead of cycle times measured in seconds, the cycle is two hours, with each team aiming to build four cars in their shift. Clarke describes how the pursuit of satisfying work is also reflected in the creation of a pleasant working environment, ergonomically designed equipment, a high level of worker involvement in decision-making and an emphasis on training to enable each person in the workforce to be able to build all aspects of the car. One of the factors which has encouraged this move into what Clarke titles 'imaginative flexibility' is the difficult labour market conditions facing car producers in Sweden. High labour dissatisfaction with assembly line work has manifested itself in high labour turnover and absenteeism rates, which in turn is forcing a rethinking of traditional patterns of work organization. It remains to be seen whether the Uddevalla plant will become a model which is copied in other plants and countries. Already, however, it represents an important example of how flexible automation can be combined with more satisfying work arrangements which allow a greater degree of discretion, variety, and involvement than has been typical hitherto.

In Chapter Seven, John Holmes examines the changes in industrial relations within the North American auto industry. He locates the development of flexibility within a broader managerial effort to transform the nature of work organization and contract determination in the face of competition from Japan, the demonstration and competitive effect of Japanese companies in America and the poor productivity record of North American vehicle producers in the 1970s. Until the early 1980s the industry

was characterized by a highly integrated and uniform pattern of wage rates and work practices. Precisely-defined work tasks coupled with a strong seniority system created a rigid internal labour market. In latter years there has been a shift towards greater diversity and differentiation within the industrial relations system. Holmes traces how management have developed a more cooperative industrial relations style to introduce greater differentiation in wages and develop new working practices including teamworking and reduced demarcation. Currently the process is at an intermediary state: 'somewhere between Fordism and flexibility'.

Holmes also notes the unevenness of developments, with significant variations between Canada and the U.S., as well as between and within companies in the two countries. However, he concludes that a basic aspect of Fordist regulation — the tightly controlled, integrated and uniform pattern of wage rates and work practices has given way to an industrial relations system which has allowed the growth of diversity, flexibility and competition between workers. He also argues that this process of change has further to run: with significant overcapacity in the industry, managerial pressure for work reorganization will intensify.

In Chapter Eight, Ken Starkey and Alan McKinlay continue the focus on the car industry in their study of corporate strategy and employee involvement in the Ford Motor Company. In its fullest form, workforce flexibility entails not only different patterns of task and labour allocation but also a particular set of attitudes held by management and workforce: for example, a willingness to accept change, to undergo training, to recognize the importance of work quality and, more generally, to offer a high level of commitment to the organization. This study of Ford concentrates on the company's attempt to reshape its traditionally low trust, adversarial industrial relations style and develop a more cooperative industrial relations environment to enable strategic change and work reorganization to occur smoothly. The core of this is Ford's Employee Involvement (EI) programme.

Far from enjoying an easy passage in Britain, EI has met with considerable distrust particularly from the manual unions, but also from some staff groups. As Alan Fox (1974) pointed out some years ago, low trust relations are not easily reversed. However, Starkey and McKinlay note that by the mid 1980s important moves towards greater flexibility were being incorporated into collective agreements, establishing the basis for greater horizontal flexibility. Subsequent developments have not occurred without resistance. Strikes in Ford U.K. in 1988 and 1990 demonstrated the degree of resistance to flexibility among some groups. The authors conclude however, that while some aspects of classical Fordism survive, the 1980s witnessed a qualified but significant reversal of the job fragmentation rationale which had been a characteristic of Ford from its inception.

In Chapter Nine, Peter Turnbull shifts the focus away from flexibility in work practices, to changes in the nature of buyer-supplier relations. In a final assembly plant, much of the flexibility is seen to be embedded in the nature of the supply chain and particularly in the flexible responsiveness of component suppliers. Turnbull argues that the Japanese have been particularly successful in achieving this, with often closely-knit relationships between Japanese firms with their primary component suppliers, who in turn head several tiers of supplying companies. Turnbull contrasts this picture of the buyer-supplier relations with the one typically prevailing in the car industry in the U.K., where component suppliers and motor manufacturers have traditionally maintained greater distance between them, compared to their Japanese counterparts. Manufacturers in Britain have typically used the threat of withdrawal of contract as the means of securing continued competitive pricing: a situation building up mistrust rather than high trust relations. While Turnbull notes some indications that the U.K. motor industry is developing buyer—supplier relations more on the Japanese pattern, his own empirical evidence indicates that this development is limited and that overall, there has been little real move towards more integrated relationships between buyers and suppliers in the U.K. Partly this reflects a widespread inability on the part of assemblers to control their own production schedules, which increases problems for suppliers. More important however, price still remains the basis of those relations, above quality and delivery considerations. The current focus on work practice reforms in the car industry is cited as evidence of a continuing preoccupation with short-term financial performance, work intensification and increased labour productivity, rather than developing the networks of inter-organization relations equally necessary to ensure longer term competitiveness.

In Chapter Ten, Hedley Malloch continues the focus on inter-firm linkages with his analysis of the pressures both inside and outside organizations which influence decisions to use sub-contracting. As in several foregoing chapters, the reality of this aspect of flexibility is shown to be far more complex than much of the existing literature would suggest. Malloch highlights not only several different types of relationship between client and contractor but also contrasting trends in contracting within different industries. The picture is further complicated by the fact that in industries such as engineering, individual firms can be both users and suppliers of contracting. Indeed one case is cited where two companies acted as both client and contractor to one another over a single piece of work! Reasons for using contractors are also shown to vary considerably. This heterogeneity both in the nature of, and reasons for, contracting leads Malloch to conclude that notions such as distancing and periphery which are frequently applied to subcontracting in the flexibility literature, are inadequate to

encapsulate the complex, close and often crucial working relations between client and contractor.

Marian Whitaker is also concerned with buyer-supplier relations in Chapter 11, in particular examining contrasting styles of relationships in the clothing industry. Among other things, this chapter highlights the pressures on small manufacturers within supply chains, particularly in circumstances where large retailers exert pressure to shorten lead times, reduce batch sizes, impose higher quality standards and increase the frequency of style changes. Whitaker illustrates the variations in buyer-supplier relations by reference to two contrasting case studies. These further underline the difficulties of generalizing in this area of buyer-supplier relations, for example over the relative importance of formal and informal relations between firms. Whitaker also discusses how many larger companies are turning to new technology to increase flexibility in a very volatile market. However, the rate of diffusion of new technology is judged to be comparatively slow, and the flexibility achieved severely limited by such factors as the retention of inappropriate work structures, payment systems and skill infrastructures. She concludes that just-in-time has not made significant progress in altering buyer-supplier relations in the clothing industry in Britain, though linked with a greater adoption of flexible technologies, elements of just-in-time could improve both those relations and the experience of work in the industry.

In Chapter 12, Julia O'Connell Davidson uses the case of the water industry to highlight some of the shortcomings of the current flexibility debate and some of the problematics within flexibility: for example, organizations simultaneously pursuing numerical flexibility through subcontracting, and attempting to secure a more 'responsible' workforce. The U.K. water industry has traditionally used contractors for tasks such as major construction projects. However, as in a number of other public sector industries in the 1980s, privatization and pressures to reduce costs have led to the additional contracting out of former 'core' activities such as pipe laying and pump maintenance, as well as various ancillary functions. The contracting situation, however, is shown to be more complex than this. For example, while some functions were being increasingly contracted out, others were at the same time being brought back in-house. In addition, O'Connell Davidson examines how the threat of further contracting out is used as a way of disciplining the workforce and gaining acceptance for changes. Indeed, there is little evidence here of a core group of workers being induced to accept functional flexibility through better terms and conditions. On the contrary, acceptance is gained more through the threat of non-compliance resulting in the loss of work to third parties. The water industry case shows that measuring quantitative changes in flexibility, such as the extent of subcontracting, does not adequately convey the

accompanying qualitative changes in the nature of work among those remaining as full-time employees.

One of the themes in several chapters up to this point is the need to challenge previous assumptions concerning, for example, the nature and causes of subcontracting, and the extent to which those buyer-supplier relations are being transformed. In Chapter Thirteen, Hans-Werner Franz challenges another frequently held belief: that the steel industry in Europe is still burdened by an economic crisis brought about by overcapacity, outdated plant and equipment and inflexibility built into decades-old patterns of work organization. Again, the reality is shown to be very different, with steel representing a highly competitive and innovative industry with a wide range of new products, manufactured using highly integrated and computer controlled equipment by work crews who are increasingly multi-disciplined. The pursuit of higher quality, the need to operate in more competitive markets and the requirement to produce a more diverse range of products in smaller lots have given rise to considerable investment in process technology, which in turn has impacted upon the nature of skills and training required to operate the plant. As Franz analyses, these various pressures are leading to the progressive breakdown of traditional worker hierarchies and demarcations, and their gradual replacement by multi-disciplined work teams, who undergo common training programmes and in which promotion is judged on the basis of qualification rather than length of service. The degree of training required for the new work organization to operate effectively, is stressed. One hindrance to this is that having reduced workforces to a minimum in latter years, there is now little room available to allow existing workers to leave jobs in order to attend training courses. Again the message for flexibility is clear. It is one thing to talk of changing to teamworking, multi-skilling and functional flexibility; it is quite another to transform a long established pattern of work organization to bring those changes about.

Like steel-making, the coal industry has experienced significant developments in recent years, both in the technology of coal getting and in the work organization involved. In his analysis of British coalmining in Chapter Fourteen, Jonathan Winterton explores the link between technological changes and the drive towards flexible working in the industry. In tracing the different phases of coal-face technology, the author identifies the early links between flexibility issues and technological change, such as those surrounding the adoption of power-loading equipment in the 1950s. The recent development of more automated coal production has enhanced the significance of greater temporal flexibility to increase machine utilization. By extending the number and length of shifts and days per week on which coal is produced, the amount of machine running time is increased and the proportion of time taken up travelling to and from the faces, reduced.

Winterton also gives examples of developments in functional and numerical flexibility, again primarily driven by a desire to increase machine availability and running time. Like a number of authors of earlier chapters, Winterton concludes that flexibility represents a significant change rather than merely management rhetoric; indeed he predicts that as pressures on the coal industry from imported coal grow, demands for greater flexibility are likely to intensify.

The issue of temporal flexibility is picked up again in the Chapter Fifteen by Alan McKinlay and Des McNulty. The authors use the 1989–90 dispute over shorter hours in British engineering to identify the way in which flexibility and working time issues can impact upon collective bargaining processes. In this case, the dispute and the way it has been pursued by the unions (to target selected organizations for strike action) has contributed to the final erosion of the national bargaining framework within the industry. The nature of agreements on flexibility (e. g. agreements to vary hours at busy and quiet periods, or alter shift patterns to maintain machine running times) are essentially local in character since they need to reflect local conditions. This has further undermined the status of the previous national bargaining machinery, and raises questions about the compatibility between the pursuit of flexibility and the maintenance of national bargaining frameworks.

Just as McKinlay and McNulty's analysis indicates the importance of situating flexibility discussions within their industrial and industrial relations' contexts, in Chapter Sixteen, Gill Ursell underlines the need to distinguish between both different industrial and different national contexts. Indeed, as her study shows, there are even problems in trying to generalize across single workplaces. In the health sector, for example, Ursell points to an increase in functional flexibility at some levels within hospitals (e. g. higher management and lower grade support workers), and at the same time a move towards greater task specialization among other groups (e. g. fully qualified nurses). This cross-national study further highlights the importance of supply-side considerations encouraging flexibility, as well as demand factors arising from employers. In particular, in the health sector, many hospitals were responding to recruitment difficulties by offering various part-time schedules as a way of attracting nurses back into hospital work. Only in one case out of the thirty-eight studied was part-time working being pursued as a strategy to save money by replacing full-time jobs. Again, the overall picture regarding employment change in Canada and the U.K. is one of unevenness. For the author this underlines the inherent dangers in trying to generalize about the existence of strategic Human Resource Management in the two countries, the prominence of flexibility within that, and the pressures bringing about the instances of flexibility identified.

In Chapter Seventeen, Ali Dastmalchian also draws on data from Canadian hospitals, but approaches the issue of flexibility more from an organizational theory standpoint. His proposition is that where there is less emphasis on administrative controls and rules, and more scope for adaptation in the performance of tasks and design of jobs, there will be greater flexibility evident within the organization. Dastmalchian tests this proposition by measuring flexibility as an attitude as well as a behaviour: his three measures of flexibility are degree of functional, numerical and perceived flexibility. The results are broadly in line with the author's expectations: factors such as lower complexity and formalization, together with fewer difficulties recruiting from the external labour market, were directly related to degree of flexibility. However, the significance of particular factors varied in regard to each of the three aspects of flexibility, thus further indicating the potential pitfalls in viewing different aspects of flexibility as essentially similar and resulting from common pressures. In his conclusion, Dastmalchian argues that the notion of flexibility needs to be revised to make it more applicable among nurses and doctors where professional competences and statutory requirements limit the degree of functional flexibility. It may be more appropriate he argues, to build flexibility into the design of professional organizations (e.g. through decentralization and participation) than seek greater adaptability through functional flexibility.

In the final Chapter, Tim Walsh broadens out the debate by examining the ways in which different European countries have utilized regulatory measures to encourage both flexibility and security. A central tenet in Walsh's argument is that the viewing of part-timers as supplementary or marginal employees — often the case in existing writing on flexibility — is often inappropriate. On the contrary, in various industries such as retail and catering, part-timers form a central part of manpower policy. Walsh argues that the confusion is partly between part-timers being *treated* as secondary (in terms of pay and conditions) and the question of whether or not they *occupy* a secondary or peripheral role within the organization.

Walsh contrasts European and U.K. policy developments. In several European countries, the promotion of workforce flexibility is being linked to more detailed regulation, rather than a reduction in labour law. Flexibility in Europe is shown to remain heavily circumscribed by employment regulation; for part-time workers, for example, a European trend has been to extend full-time employee rights to part-timers on a *pro rata* basis. The rationale underlying much of this European policy is seen to be that by increasing job security through regulation, this will encourage greater internal flexibility, the development of internal labour markets and productivity. In Britain, on the other hand, the emphasis has been singularly on encouraging labour market flexibility by *reducing* the degree of regulation within

the labour market. Walsh concludes that the European trend has much to offer over its British counterpart: competitive conditions in the 1990s are likely to require employers to concentrate on labour productivity and effectiveness and not simply on forms of labour utilization based on cost reduction.

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