THERE are approximately 50,000 small and medium sized manufacturing firms in the United Kingdom, taking those which employ between 10 and 500 personnel. There may be as many, or an even larger number of such manufacturing concerns with 10 or fewer employees, but statistics are less certain at this level. Getting on for half the total working population of 26 million people work in such small companies.

At the other end of the scale the 500 leading companies, ranked by turnover, plus the half dozen largest nationalised industries and public corporations—Post Office, Railways, Coal Board, Steel Corporation, Electricity and Area Gas Boards—between them employ 8 million persons, or one third of the total labour force. If to this figure is added the million people who work in central and local government and the armed services, the total tops the 40% mark.

In the present period of “industrial conflict and strife”, these are salutary figures. They emphasise the fact that in the great majority of firms life and work proceed normally from day to day, week to week, and year to year. While every company will be subject to the normal stresses of relationships arising from human imperfection, and while few companies will be especially efficient by the most modern standards, the outstanding characteristic is not conflict or strife, but a steady normality, the daily round, with but an occasional incident to mar or make the day.

A GROWING CRISIS

This is not to deny that we are living in acutely difficult times. The large corporations are in such strategically vital positions that when they experience trouble it can quickly have economy-wide effects. Inflation, growing unemployment and unresolved industrial conflicts provide the clearest evidence of our failure to manage economic forces and situations. They appear in the context of the grave and world-wide problems of pollution and population, and a series of simultaneous and revolutionary
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changes in science, technology, education, and social values, morals and structure. To the demands of youth, who number 50% of the world's population must be added the entirely legitimate and increasingly clamant pressure of the great mass of peoples in all countries for better and more humane standards of living and quality of life, the well known but still underestimated revolution of rising expectations.

Not so many years ago there was a mood of general optimism about the future. Though problems were critical, few doubted they could be solved. Today the assessment is more sober and less optimistic. The myth of inevitable and universal progress is being exploded. We have to face the possibility of widespread failure in our efforts to establish a humane and just social and economic order. The problem takes different forms in different parts of the world. But the consequences are everywhere the same—divisions between people; struggles for power; affluence and poverty side by side, both within and between nations. Worse still is a growing sense of powerlessness and futility, a feeling that somehow events have got out of control, to which present violence is one reaction.

THE POWER OF INDUSTRY

In such a situation great responsibility rests with those who wield power. On the whole industry has not yet awakened to the fact that it is the dominant force in today's world. Men and women in positions of responsibility, whether as directors, managers, trade union officials or shop stewards have more real influence as a group on the direction of affairs, even if only indirectly, than their peers in other walks of life, politics and politicians notwithstanding. This was not always so in the past and may not continue long into the future. But in the conditions of today's world industry, commerce, business and finance are at the decisive centre of affairs. From the multi-national corporation or State Board to the local factory employing but a dozen men, and from the large union with many hundreds of thousands of members to the local lodge or branch, this is where effective power and influence rests today. It is important that members of the industrial and business community become more aware of their influence and join more effectively in applying it to the solution of human problems.

There is a popular and widely held belief that directors, managers and union leaders are for the most part ambitious men, seeking only for personal power and wealth. This myth is so frequently contradicted by
reality that it must to a very large extent be discounted. There are in fact more genuinely sincere industrialists and union leaders than the average person realises, who though they may often feel powerless in the face of national economic problems and human intransigence, continue the search for solutions and better human relations in their immediate spheres of influence.

**NEED FOR NEW THINKING**

This search for humane attitudes and better industrial practices has a long history. Profit-sharing, works councils, joint consultation, company newspapers, pension plans, sickness benefits and the like, though still by no means universal, are already several generations old. The current interest in job enrichment, participative management, shared decision making, worker directors and the rest is evidence that the present generation is as alive to human needs at work as their forbears. Indeed a growing number of companies seek, as a matter of conscious and deliberate policy, to fulfil responsibilities to workers and the community, and not just to shareholders.

But such enterprises are still a minority, and in the light of the present difficult industrial situation one is bound to ask: have these so-called better practices worked, or is it that they have never been sufficiently tried? Is it possible to combine happiness with efficiency; speed of decision with consultation; individual creativity and skill with the advantages of mass production and specialisation of task? Can we manage conflicts of interest without the kind of strikes which, irrespective of who is right or wrong, come close to crippling the economy? Does any clear message emerge from the many experiments that are under way all over the industrialised world? And indeed is the old message the right one, needing only a change of language and presentation to make it acceptable and understood, or does the message itself need to be changed, or developed, in some way which we do not as yet understand?

In coming issues of Co-partnership we shall be asking some experienced industrialists and union leaders to examine these and related questions, and to point to directions that may be valid for the seventies. The article Participation on page 27 of this issue, and the extracts from the book Job Enrichment and Employee Motivation by Paul and Robertson on page 12 provide a useful prelude to these articles.
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Capacity for Participation

Meanwhile several provisional conclusions seem permissible. First: that while many of the best industrial relations practices, for example the philosophy and practice of partnership and participation, have been thoroughly tried and tested at company and plant level, we do not really know whether the industrial relations climate in the country as a whole can be decisively changed by a sufficient number of enterprises functioning in this way. If there is a point of “critical mass”, it is clear that we are well short of it at present in the country at large.

The second conclusion stems from a judgment about human nature. Running a business on a basis of partnership and involvement is virtually mandatory today. The pressure for participation, even if only indirectly through representatives, is too strong and widespread to be denied. But not everyone is constitutionally capable of running an organisation, or supervising others on this basis, or even of being a creative participant member. Nor is it possible to change the management style of companies overnight. The attitudes necessary for successful participation take time to grow, and do not last unless the roots go deep. And to continue with the botanical analogy, we have much to learn about grafting and transplanting these attitudes and practices where they did not exist before. This judgment is supported by a study of the history of most co-partnership experiments. Very few up till now have lasted into the second generation. The founders, those with the initial vision and drive, retire and are succeeded by different men with different, though not necessarily worse, ideas.

Human nature being what it is, it is reasonable to think that each generation must learn its own lessons. Fundamental progress, real and lasting changes of attitude, take time to root and grow. The notion of immediate change, to which modern technology accustoms us, is not entirely applicable to the human condition. We tend too easily to forget this cardinal fact. Thus while the desire for new styles of industrial direction and management is widespread, the skills, understanding and goodwill required to make the desire practical are still too thinly spread.

The Nature of Man

The third conclusion is of a rather different order, and arises from the statement that the reality of good industrial relations does not reside
in the forms it commonly takes, but in the extent to which it can satisfy fundamental human motivation. The logic and rationale of industrial relations theory and practice too often fails to embrace the irrational and paradoxical elements of human nature, and in particular the deeper mainsprings of man's behaviour. Too often the unspoken assumptions of managers and trade union leaders are that men have only two fundamental groups of needs, the economic needs and the need to feel happy, and that if these are provided for all will be well.

This is philosophically naive as it is psychologically inept. If history teaches anything it is that when men are given "bread and circuses" alone they deteriorate as people, and the civilisation of which they are a part goes into decline. Man is at his best, humanly speaking, when he is under challenge and test; when he is forced to take, or is offered, responsibility; when he is catapulted out of dull routine and compelled to use his creative powers and initiative; when he has to think of others, not just of himself, and indeed sacrifice for them or for some cause which transcends purely personal interests. This is a concept of man's motivation most nearly formulated in industrial terms as theory Y of MacGregor.

Man moreover is nothing if he is not a moral being. Therefore he is endowed with an innate sense of social justice, of fairness, and what humanly speaking is equitable and right. It may well be that the malaise at present afflicting modern industry in all countries has its roots in the starvation of these mainspring's of man's nature.

The weakness of the solutions periodically proposed for our industrial ills is that in the last analysis they are geared only to meeting man's economic needs and making him happy. If a deeper concept of human motivation is valid, the working life of the average man must be made more meaningful in other ways as well, which can include relating it to wider social and community purposes. There are many who would say that this is not the function of economic life. Maybe so; but the evidence compels us to look in this direction.

Since we live in a diverse and pluralistice society no single answer to these questions is likely. It does mean however that all discussion of participation, co-partnership and related themes, and their place in the industrial scene today, become not just questions of when and how, but essentially for what wider end?